



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

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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

CONTENTS

- 1 DEPARTMENT OF REVENUE SEES SUCCESS WITH 'NUDGE' PROJECT

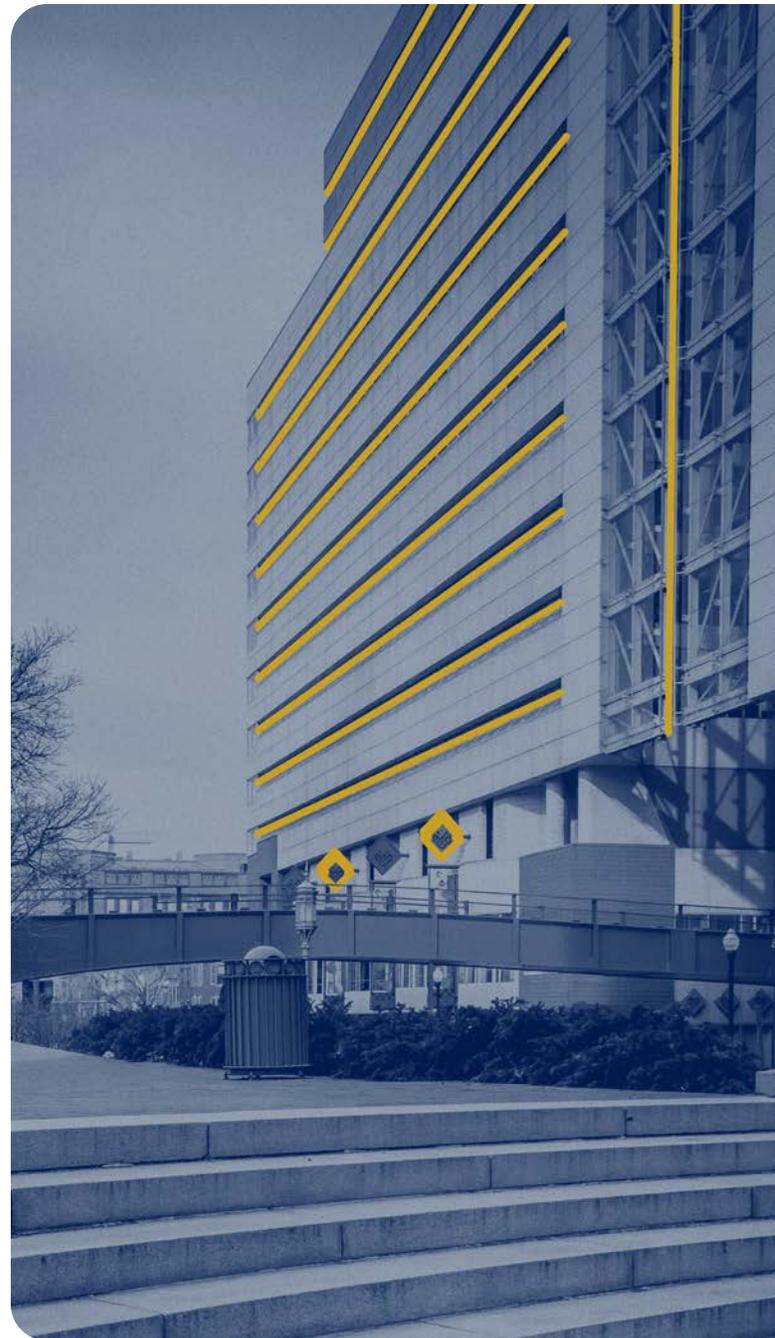
- 2 TAXPAYER ASSISTANCE AVAILABLE AT REVENUE DISTRICT OFFICES, ONLINE AND BY PHONE

- 3 DOR PROVIDES UPDATE ON RELIEF OFFERED TO TAXPAYERS DURING COVID-19 PANDEMIC

- 3 REMINDER: REQUIREMENT FOR ACCELERATED SALES TAX PREPAYMENTS RESUMED IN JULY

- 4 BOARD OF APPEALS OUTLINES OPERATING GUIDELINES DURING COVID-19 PANDEMIC

- 5 2019-20 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 SEES SUCCESS WITH 'NUDGE' PROJECT

Prior to the COVID-19 pandemic, the Department of Revenue took part in a “nudge” study that involved working with a team of social behavioral scientists from the MITRE Corporation to redesign the department’s tax delinquency notices to make them easier for taxpayers to understand.

A “nudge” is considered to be any action that changes the outcome of a decision in a predictable way without hindering or preventing any other available option. As MITRE’s nudge research team explains, this can be placing healthy foods at eye-level in a grocery store so that shoppers are steered toward better options.

The idea for this project was to apply this concept to tax delinquency notices. The redesigned “nudge” notices reduced the amount of text and highlighted the amount owed, options for payment and the consequences of not responding to the notice. Overall, the goal was to explore a cost-effective way to boost voluntary compliance while also improving customer service by making the notices easier for taxpayers to read.

“It was definitely radical — just head and shoulders above what we’ve done in the past,” said Radee Skipworth, the department’s Deputy Secretary for Compliance and Collections. “The nudge gave taxpayers the right information, high on the page, and clearly explained what to do. Beyond that, the MITRE team brought capabilities in measuring response rates and statistical analysis.”

To test the effectiveness of the nudge notice, the MITRE team studied department data on non-compliant taxpayers from the business community. The non-compliant taxpayers were divided into groups, with all groups first receiving the department’s older, standard delinquency notice. After that, some taxpayers received the standard notice a second time, while others received the nudge notice as their second notice.

The response rate for the nudge reminder was 36%, compared to 26% for the standard reminder. The percent of debt paid with the nudge was 22%, versus just 13% for the standard letter.

“We were extremely happy with the results,” Skipworth says. “Not only could the department potentially collect more revenue, but taxpayers are also getting the information they need.”

As part of this study, the team from MITRE, a not-for-profit company that operates multiple federally funded research and development centers, also drew upon past experience working with the IRS to simplify that agency’s tax notices.

The success of the study in Pennsylvania has encouraged the Department of Revenue to replace many of its prior delinquency notices with newer versions modeled on the nudge notice that proved to be so successful. The department is in the process of revamping its delinquency notices, which means taxpayers should see them in the near future.

This will occur as the department resumes some enforcement and collections functions that were temporarily suspended to provide relief to taxpayers during the COVID-19 pandemic. The revamped notices should be a benefit for taxpayers and for the department, which is tasked with collecting the tax revenue that funds essential services and programs for Pennsylvanians.

“We are constantly looking for ways to improve our operations, and in this case we found a way to do that while also providing better customer service for our taxpayers,” Revenue Secretary Dan Hassell said. “We are grateful to the MITRE team for partnering with us on this study, and we will continue to look for innovative ways to enhance our processes.” 🏆



It was definitely

RADICAL...

...above what we've done in the past

- Radee Skipworth, Deputy Secretary for Compliance and Collections

TAXPAYER ASSISTANCE AVAILABLE AT REVENUE DISTRICT OFFICES, ONLINE AND BY PHONE

The Department of Revenue has reopened its district offices in a limited capacity with social distancing guidelines in place. Taxpayers who need in-person assistance should contact the Revenue district office closest to them to schedule an appointment. This will help the department adhere to health protocols designed to help prevent the spread of COVID-19 in Pennsylvania.

Scheduling an Appointment

Taxpayers in need of in-person assistance are required to call or email the district office closest to them to schedule an appointment. A list of Revenue district offices can be found below or by visiting the department's District Offices page on its website, revenue.pa.gov.

Social Distancing Guidelines

In-person taxpayer assistance hours are 8:30 a.m. to 5 p.m. Monday through Friday. Appointments between 8:30 a.m. and 10 a.m. will be reserved for senior citizens.

Taxpayers are required to wear a mask when they arrive for their appointments.

Taxpayers should know that the Department of Revenue will be following health and safety guidelines established by the Department of Health to promote a clean office environment.

Online Customer Service Center

The Department of Revenue is encouraging taxpayers to use its Online Customer Service Center, available at

revenue-pa.custhelp.com. This resource can be used to electronically submit a question to a department representative. A department representative will be able to respond through a secure, electronic process that is similar to receiving an email. Additionally, the Online Customer Service Center includes thousands of answers to common tax-related questions.

Schedule a Call or Call the Customer Experience Center

Taxpayers and tax professionals are encouraged to use the department's Schedule a Call service. This service allows customers to select a date and time that works for their schedule to receive a call from the Department of Revenue. Once a selection is made, the requested call will be assigned to a representative from the department's Customer Experience Center (CEC).

If you are using the Schedule a Call service, please keep in mind that your requested phone call may be made within a few minutes of your scheduled time. Department representatives will work as quickly as possible to maintain the schedule, but the volume of requests may be a factor.

The CEC call center is also operational and can be reached at [1-888-728-2937](tel:1-888-728-2937) or between the hours of 8 a.m. to 5 p.m. 📞

Revenue Offices Accepting Appointments

Allentown

555 UNION BLVD
ALLENTOWN PA 18109-3389
610-861-2000
RA-RV-BET-BET-DO-EM@pa.gov

Erie

448 W 11TH ST
ERIE PA 16501-1501
814-871-4491
RA-RV-BET-ERI-DO-EM@pa.gov

Greensburg

15 W THIRD ST SECOND FL
GREENSBURG PA 15601-3003
724-832-5283
RA-RV-BET-GBG-DO-EM@pa.gov

Harrisburg

STRAWBERRY SQ LOBBY
HARRISBURG PA 17128-0101
717-783-1405
RA-RV-BET-HBG-TA-EM@pa.gov

Norristown

STONY CREEK OFFICE CENTER
151 W MARSHALL ST SECOND FL
NORRISTOWN PA 19401-4739
610-270-1780
RA-RV-BET-NOR-DO-EM@pa.gov

Philadelphia - Center City ***

110 N 8TH ST STE 204A
PHILADELPHIA PA 19107-2412
215-560-2056
RA-RV-BET-PHI-TA-EM@pa.gov

Philadelphia - Northeast

ACDMY PLZ SHPG CTR
3240 RED LION RD
PHILADELPHIA PA 19114-1109
215-821-1860
RA-RV-BET-PNE-DO-EM@pa.gov

Pittsburgh - Greentree

11 PARKWAY CTR STE 175
875 GREENTREE RD
PITTSBURGH PA 15220
412-929-0614
RA-RV-BET-GTR-DO-EM@pa.gov

Pittsburgh - Downtown

411 7TH AVE ROOM 420
PITTSBURGH PA 15219-1905
412-565-7540
RA-RV-BET-PGH-TA-EM@pa.gov

Reading

625 CHERRY ST STE 239
READING PA 19602-1186
610-378-4401
RA-RV-BET-RDG-DO-EM@pa.gov

Scranton

BANK TOWERS
207 WYOMING AVE RM 207
SCRANTON PA 18503-1427
570-963-4585
RA-RV-BET-SCR-DO-EM@pa.gov

Sunbury

535 CHESTNUT ST
SUNBURY PA 17801-2834
570-988-5520
RA-RV-BET-SUN-DO-EM@pa.gov

*** (Inheritance Tax Office in Ste 204B)

DOR PROVIDES UPDATE ON RELIEF OFFERED TO TAXPAYERS DURING COVID-19 PANDEMIC

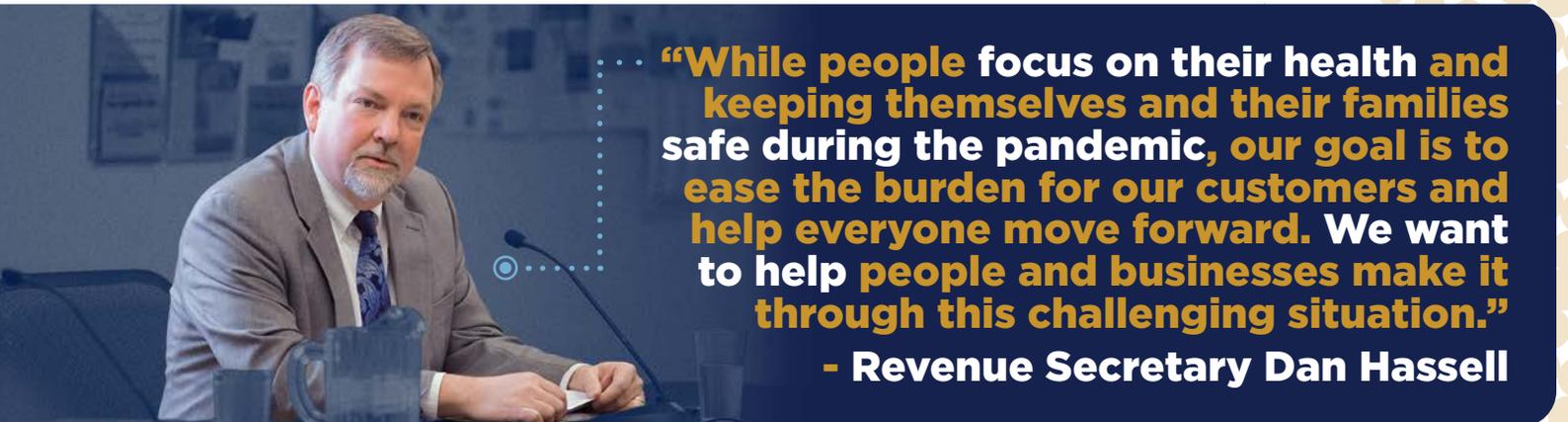
The Department of Revenue announced in April that it was implementing a plan to provide relief to Pennsylvanians and businesses throughout the commonwealth during the COVID-19 pandemic. The department's plan, outlined on its web page, Relief For Taxpayers During COVID-19 Pandemic, said taxpayers would be provided with increased flexibility, additional time to meet their tax obligations, and a pause on several of its standard enforcement actions.

Recognizing that the pandemic continues to impact Pennsylvania taxpayers and businesses, the department will continue providing relief as the year progresses.

"As we said earlier when we announced our relief plan, our goal is to ease the burden for our customers and help everyone during this challenging time," Revenue Secretary Dan Hassell said. "We want to provide people and businesses with as much flexibility as we can to help them stay on their feet make it through this health crisis."

As part of this effort, the Department of Revenue will:

- Implement pilot programs that utilize enforcement resources to help bring taxpayers into compliance with outreach and education.
- Continue providing flexibility with scheduling audit work and resuming field activity in limited circumstances.
- Extend audit penalty abatement and 90-day interest relief through December 31, 2020.
- Continue to provide flexible terms for new payment plans.
- Suspend automatic enforcement actions regarding liens, license revocations and referrals to private collection agencies.
- Redeploy enforcement resources in a limited capacity for license inspections, tax clearances, wage garnishment and bank attachments.
- Continue to administer tax credit and incentive programs.
- Abate penalties in most other cases if taxpayers have remitted trust fund taxes they collected. 🏠



"While people focus on their health and keeping themselves and their families safe during the pandemic, our goal is to ease the burden for our customers and help everyone move forward. We want to help people and businesses make it through this challenging situation."

- Revenue Secretary Dan Hassell

REMINDER: REQUIREMENT FOR ACCELERATED SALES TAX PREPAYMENTS RESUMED IN JULY

The Department of Revenue is reminding businesses that are required to make Accelerated Sales Tax (AST) prepayments that they should resume making their AST prepayments.

This prepayment requirement is once again in effect after the Department of Revenue previously announced that taxpayers would not have to make AST prepayments in March, April, May or June. This step was taken to provide relief to business taxpayers during the COVID-19 pandemic.

During the four-month waiver period, the department said businesses that normally had a monthly prepayment requirement would not be charged penalties for missing prepayment deadlines. The department asked businesses to only remit the sales tax that they collected during the

prior month. As of July 20, 2020, this has changed with the resumption of the prepayment requirement.

The AST prepayment requirement applies to business taxpayers with an actual tax liability of more than \$25,000 during the third quarter of the preceding year. For more information on how to calculate your prepayments, visit the Department of Revenue's page on Accelerated Sales Tax Prepayments .

All businesses are encouraged to remit online using e-TIDES, the department's online tax system for businesses. A schedule of return and prepayment due dates can be found on the department's website by search REV-819. You can also visit the department's Online Customer Service Center to find answers to common tax questions or submit a question to the department. 🏠

BOARD OF APPEALS OUTLINES OPERATING GUIDELINES DURING COVID-19 PANDEMIC

The Department of Revenue Board of Appeals has issued new operating guidelines to protect public health and prevent the spread of COVID-19.

These guidelines are in recognition of the Proclamation of Disaster Emergency issued by Governor Tom Wolf on March 6, 2020 and modified on June 3, 2020.

Hearings

All in-person hearings are suspended until further notice. In order to have a formal hearing, which will be digitally recorded, the petitioner must have the ability to use Skype. In recognition that all individuals may not have access to Skype, the petitioner may waive the formal hearing and request an informal conference call to discuss the case. Alternatively, the petitioner may request a continuance of the hearing as well as an extension of the decision due date. Finally, the petitioner always has the option to waive the hearing and request that the decision be based on the record.

Board Orders

All orders will be issued electronically through email. Please be advised that implementation of the orders may continue to be delayed. The processing of any refunds ordered by the Board of Appeals, the Board of Finance and Revenue or a stipulation of judgment at Commonwealth Court will be done through an electronic process so that all refund checks will be mailed directly to the petitioner. If petitioners plan to appeal the Board's order to the Board of Finance and Revenue, petitioners are advised to review the notice issued by the Board of Finance and Revenue regarding Operations Under the Exigent Circumstances Created by COVID-19. This order is available at <https://www.patresury.gov/bfr/>.

Board Filings

During this time, taxpayers are strongly encouraged to file all appeals using the Board's online petition center at <https://www.boardofappeals.state.pa.us/>. Once the appeal is submitted, the taxpayer will be provided with a confirmation number that the appeal has been received. The taxpayer should keep a record of that confirmation number.

The Board of Appeals will use the following to determine the filing date of an appeal:

- United States Postmark or the date by which the United States Postal Service takes control of the package; or
- Date of the timestamp on a petition filed electronically.

Note: The Board of Appeals is **not accepting** hand-delivered submissions.

Deadlines

For purposes of filing deadlines, the offices of the Board of Appeals will be considered open on July 20, 2020. An appeal of a tax assessment issued by the Department of Revenue or a petition for a tax refund is considered to be timely filed if filed by the later of the following dates: August 20, 2020 or the original appeal deadline. Please know that if the appeal deadline fell on a date prior to the closure of commonwealth offices (March 16, 2020), the original appeal deadline is still applicable. In other words, in these cases petitions will be considered as timely filed if they are filed by the last day of the appeal period.

Submission of Documentation

The Board is now considered to be open for the submission of requested documentation.

Any requested documentation is required to be submitted by August 20, 2020 as described below:

- All businesses and representatives shall be required to electronically submit all supporting evidence and documents (Examples: power of attorney, copies of legal documents, appeal schedules, proof of payment) in a form and manner as required by the Board.
- All individuals without representation (pro se) are requested to submit all supporting evidence and documents electronically in a form and manner as required by the Board.
- The above shall not apply to claims for the Property Tax/Rent Rebate Program.

For further information and future Board of Appeals updates please visit revenue.pa.gov.

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



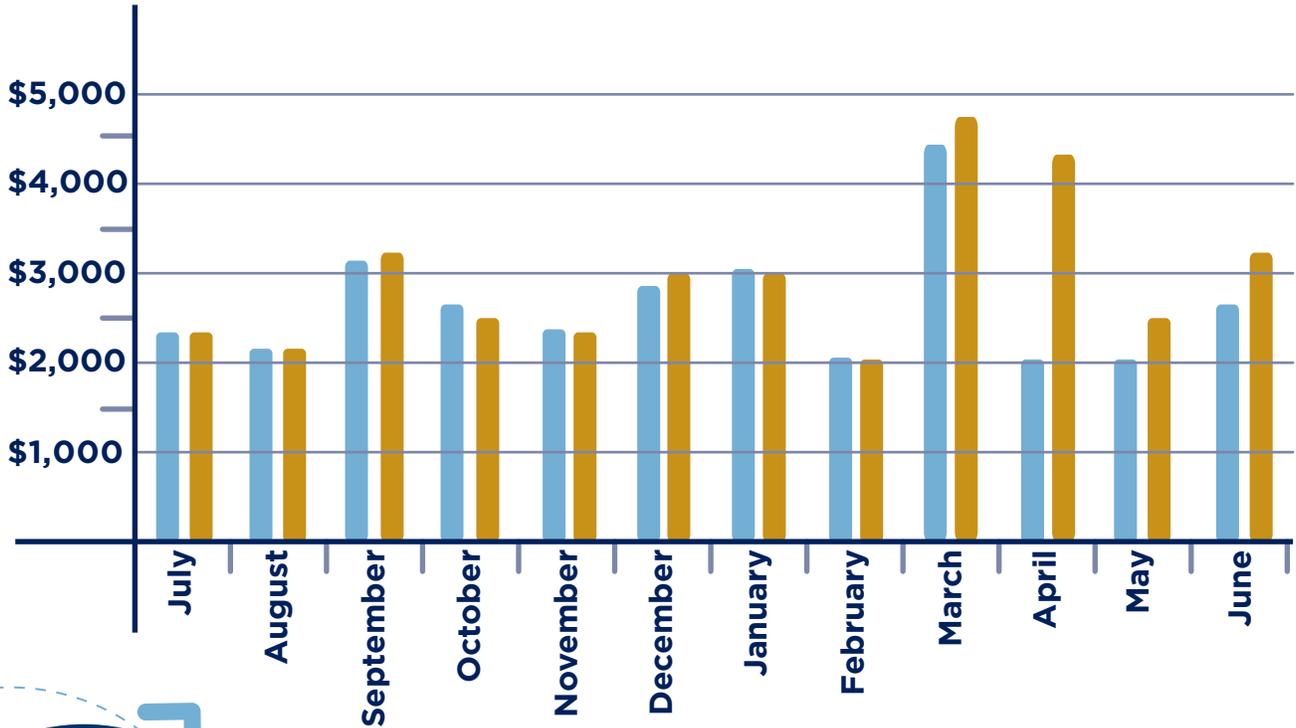
2019-2020 General Fund Revenues

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	3,185	3,203
October	2,670	2,550
November	2,356	2,355
December	2,907	2,999
January	3,070	2,987
February	2,167	2,077
March	4,434	4,730
April	2,180	4,339
May	2,105	2,545
June	2,674	3,252