



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

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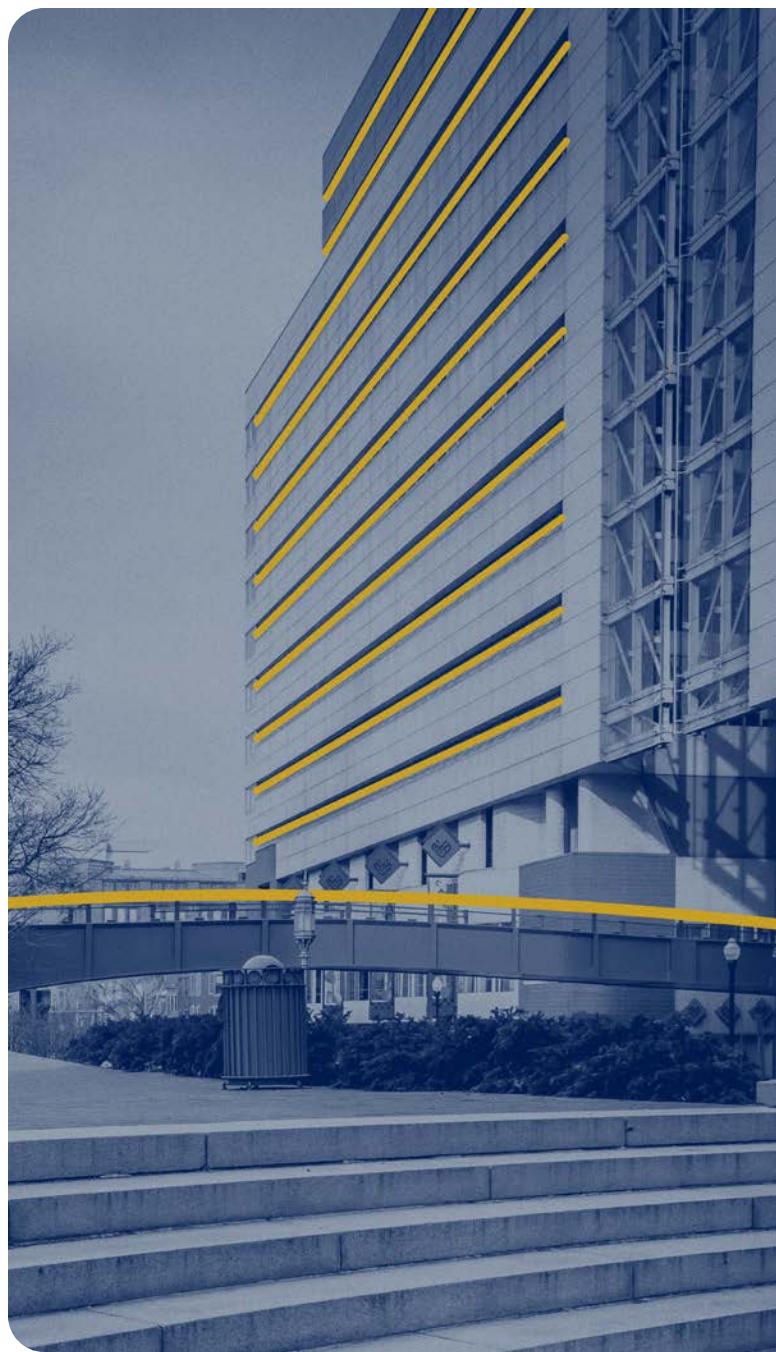
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The No. 1 goal in the department's strategic plan is to continually improve customer service.

- Revenue Secretary Dan Hassell

NEW FILING OPTIONS NOW AVAILABLE FOR PROPERTY TAX/RENT REBATE PROGRAM, PERSONAL INCOME TAX

New electronic filing options are now available through **myPATH**, the Department of Revenue's user-friendly online filing system. **myPATH** is now a free option for taxpayers filing their Pennsylvania personal income tax returns (PA-40s). Additionally, **myPATH** also now provides a free electronic filing option for claimants of the Property Tax/Rent Rebate Program.

"We are excited to offer the benefits of this system to more of our customers, including more than 6.5 million taxpayers who annually file Pennsylvania personal income tax returns and over half a million **Property Tax/Rent Rebate Program** claimants," Revenue Secretary Dan Hassell said. "Our modernization project team has done a great job of keeping us on schedule and on budget as we have added more customer service options to **myPATH**. We are confident that this system will be a great benefit to our customers."

Property Tax/Rent Rebate Program

Claimants of the **Property Tax/Rent Rebate Program** will have an electronic filing option available for the first time since the program's inception in 1971.

Eligible claimants who have not submitted their applications for the 2019 claim year by December will have the option to submit their 2019 applications using **myPATH**. That will help claimants prior to the deadline of December 31, 2020 to submit claims from 2019.

The new system will also be in place for eligible claimants as the 2020 claim year begins in January 2021.

Other features **myPATH** offers for **Property Tax/Rent Rebate** claimants:

- Fast processing and direct deposit options
- The "Where's My Rebate?" system to track the status of a claim online
- The benefit of error-reducing automatic calculators
- User-friendly features that are not available when filing a paper application

"The **Property Tax/Rent Rebate Program** is one of the most important programs our department administers because it provides financial relief to hundreds of thousands of older and disabled Pennsylvanians each year," Secretary Hassell said. "We are always focused on ways to improve customer service, and offering an online application form creates a fast, free and safe electronic option for the people the program benefits."

Visit the **Property Tax/Rent Rebate Program** page on the department's website for more information on the program and eligibility.

Pennsylvania Personal Income Tax

Taxpayers also have a new way to file their Pennsylvania personal income tax returns for free through **myPATH**. That means taxpayers who requested an extension to file their 2019 Pennsylvania personal income tax returns will be able to utilize the new system.

Additionally, the system will be available in 2021 for taxpayers filing their 2020 Pennsylvania personal income tax returns. **myPATH** will replace the Pennsylvania

Department of Revenue's prior personal income tax filing system, Padirectfile.

Features **myPATH** offers to Pennsylvania personal income tax filers include:

- Fast and free return/refund processing
- The "Where's My Refund?" system to track the status of a refund
- Instant confirmation of a successful filing
- The benefit of error-reducing automatic calculators
- User-friendly options that are not available to taxpayers filing by paper
- The ability to view a detailed Statement of Account for personal income tax
- Verifying 1099 amounts, changing 1099 delivery preferences and viewing complete 1099s

"The department is thrilled to offer Pennsylvania personal income tax filers a new electronic filing option through **myPATH**," Secretary Hassell said. "We encourage all Pennsylvania taxpayers to take advantage of this new, easy-to-use option."



Partnership with Fast Enterprises, LLC

These electronic filing options are the result of Department of Revenue employees working alongside staff from Fast Enterprises, LLC, the vendor the department hired to update its tax systems and improve its technology. Fast Enterprises is a leader in its industry and has implemented its GenTax software solution in municipalities and countries throughout the world.

The department's implementation of GenTax and **myPATH** are increasing efficiency, reducing risk of system failure, facilitating improved tax collection, reducing administrative costs and allowing the department to respond more quickly to ever-changing tax laws while improving overall taxpayer service.

For more information on **myPATH**, please visit revenue.pa.gov/mypathinformation.

REVENUE EMPLOYEES KEEP FUNDS FLOWING FOR PENNSYLVANIANS DURING COVID-19 PANDEMIC

The **Wolf Administration** recently recognized the work of staff assigned to the Department of Revenue's Bureau of Imaging and Document Management (BIDM) facility in Harrisburg. Employees who work at this facility are responsible for scanning and processing all mail, paper tax returns, paper checks and claims for the **Property Tax/Rent Rebate Program** received by the Department of Revenue.



Due to the COVID-19 pandemic, BIDM employees transitioned to working in split shifts in order to follow health and social distancing protocols. Staff working at BIDM also seamlessly incorporated roughly 50 Revenue employees from other bureaus within the department into temporary roles at BIDM. These employees were temporarily reassigned to help handle the surge in work that accompanies tax season.

Despite these changes in operations, between April and September BIDM employees processed more than 2.3 million checks totaling more than \$3.7 billion. They also processed more than 467,000 application forms for the Property Tax/Rent Rebate Program, which helps older and disabled Pennsylvanians. **More than 310,000 of the rebates processed this year were paid earlier than the normal July 1 distribution date to provide needed financial relief during the pandemic.**

"We are incredibly proud of our employees for the dedication they have shown while making major adjustments to their routines over the last several months," Revenue Secretary Dan Hassell said. "The work they do is a vital part of the process that ensures Pennsylvanians receive their tax refunds and rebates as quickly as possible. This work took on even greater importance this year due to the fact that many Pennsylvanians have been struggling because of the pandemic."

Amanda George, a division chief at BIDM who oversees mail operations, said the staff at BIDM is a diverse group that benefits from the fact that the majority of employees are cross trained in various aspects of the facility's operations. That means employees help each other with different tasks at various times of the year depending on where a need arises.

George said at some points of the year the BIDM facility receives more than 200,000 pieces of mail per day,

including portions that are required to be sorted by hand. This year also presented new challenges for BIDM employees because the deadline for filing personal income tax returns was extended 90 days to July 15, 2020. That meant the usual rhythm of tax season was different than in prior years, but everyone at BIDM worked to tackle each task and get the job done.

"Everyone here is very accommodating and we rise to the challenge," said George, who has spent her entire 20-year career with the Department of Revenue working at BIDM. **"That's always been our mentality here."**

Lawrence Lewis, a division chief who oversees imaging and banking support at BIDM, said that it's difficult for people who haven't visited the BIDM facility to recognize the volume of work that flows through the doors. For example, one section that he oversees often processes over \$1 billion in payments in the month of April during a traditional tax season.

Lewis said he believes everyone who works at BIDM has handled the challenges created by the COVID-19 pandemic in a way that they should all be proud of. He said he and his colleagues understand the importance of the work they do on behalf of Pennsylvanians.



Lawrence Lewis, pictured right, and Amanda George explain how employees at the Bureau of Imaging and Document Management have been working in split shifts during the COVID-19 pandemic to ensure operations continue.

"Our version of customer service is being able to process all of these things in a timely and efficient way to make sure people are getting the services they need," Lewis said. "To have roughly 120 people be able to do the amount of work that they do says a lot about how hard they work and their work ethic."

The Bureau of Imaging and Document Management (BIDM) employs approximately 125 full-time workers and is responsible for receiving, sorting, preparing, controlling and banking all remittances and their associated documents submitted to the Department of Revenue. This bureau is responsible for creating an audit trail and a legal image archive of tax documents and checks received by the department. It also performs work for many other commonwealth agencies that have scanning and processing needs. 🏛

DEPARTMENT ACKNOWLEDGES RETIREMENT OF WILL HARTMAN

The Department of Revenue recently celebrated the retirement of Will Hartman, a Revenue employee with more than 30 years of experience who played a pivotal role in bolstering the department's approach to taxpayer and business outreach and education.

Hartman joined the department in 1991 as an auditor trainee and over the course of the next 17 years, he worked in all phases of the sales and use tax audit program while earning his CPA license. He later worked in the department's Bureau of Enforcement Planning, Analysis & Discovery (EPAD), where he eventually was promoted to the assistant director for the Voluntary Compliance call center. Hartman also worked in the department's Customer Experience Center as a special assistant to the director for outreach and education.

Hartman's career also included his involvement with a Revenue team that received the Governor's Award for Excellence for its efforts to address electronic sales suppression, an illegal practice that involves a person using software to systematically delete or alter sales and tax records. Furthermore, Hartman was instrumental in launching a seminar series the department used to educate new business owners on their tax obligations, and he was a fixture in Revenue's overall education and outreach efforts.

"**Will's background, knowledge and kind attitude toward tax compliance exemplified the values and mission we strive for** at the Department of Revenue," Revenue Secretary Dan Hassell said. "We wish Will the best and an enjoyable retirement." 🎉



Will Hartman

REMINDER: TAX PREPARERS WILL BE REQUIRED TO INCLUDE PTIN ON PA-40 RETURNS STARTING IN TAX YEAR 2020

The Department of Revenue is reminding tax return preparers that they will need to sign and list their IRS preparer tax identification number (PTIN) on each Pennsylvania personal income tax return (PA-40) that they prepare starting in tax year 2020.

This requirement takes effect for tax years beginning Jan. 1, 2020. That means it will be applicable as tax return preparers work on their clients' tax returns for the 2020 Tax Year. This requirement is part of Act 13 of 2019, legislation that was enacted in 2019 by Pennsylvania's General Assembly.

Under the law, a tax return preparer is a person who is paid to prepare a personal income tax return, or employs one or more persons who prepare returns for compensation. Preparation of a "substantial portion" of a personal income tax return shall be treated as if it were the preparation of the return, according to the law.

The law also gives the Department of Revenue the authority to impose an administrative penalty of \$50 on a tax return preparer each time the preparer fails to sign a return or fails to provide their PTIN on a return. Under the law, the maximum annual penalty that can be imposed on an individual tax return preparer is capped at \$25,000 per year.

To obtain a PTIN, preparers should consult the PTIN Requirements for Tax Return Preparers on the IRS website. The web page includes information on how to obtain or renew a PTIN. Most first-time PTIN applicants can obtain a PTIN online in about 15 minutes, according to the IRS. 🎉

TAXPAYERS REMINDED FILING OF ORIGINAL & AMENDED RETURNS AFTER ASSESSMENT IS NOT PERMITTED

The **Department of Revenue** has various review programs to determine if taxpayers are filing tax returns and accurately reporting all tax that is due. These programs can result in department inquiries and tax assessments.

When performing a review of a taxpayer's account, the department will determine if the taxpayer has filed all required returns or has underreported tax. Following the review, the department will provide the taxpayer an opportunity to file the appropriate returns and/or pay the appropriate tax prior to issuing an assessment. If the taxpayer fails to respond to notifications and/or questions from the department, the department will issue an assessment for the amount of tax which it determines to be due from the taxpayer.

In some cases, taxpayers may attempt to file an original or amended return to contest these assessments. The filing of an original or amended return is not the proper way to challenge these assessments. Taxpayers should know that the department will not accept or process an original or amended return that is filed to challenge an assessment. Such returns will not be accepted as an appeal of the assessment.

If the taxpayer receives an assessment and the taxpayer believes the assessment is incorrect, the proper way to challenge the assessment is to file a petition for reassessment with the Board of Appeals within the appropriate timeframe (See REV-1799-A for timeframes to file an appeal). A taxpayer is not required to pay the assessment to file a timely petition for reassessment. 📣

REMINDER: INTEREST AND PENALTIES WILL BE ASSESSED FOR FAILURE TO REMIT TIMELY PIT/CNI PAYMENTS

The **Department of Revenue** is reminding taxpayers required to remit payments for nonresident and corporate net income tax withholding that failure to make timely payments will result in interest and additional penalties being assessed.

Late payments are subject to the following penalties and interest.

Penalty and Interest Calculations

A penalty of 5% per month or fraction of a month, not to exceed 50%, shall be imposed.

The department calculates the interest on any unpaid taxes based on the annual interest rate published by the department in accordance with sections 806 of The Fiscal Code (72 P.S. § 806). 📣

COVID Alert PA



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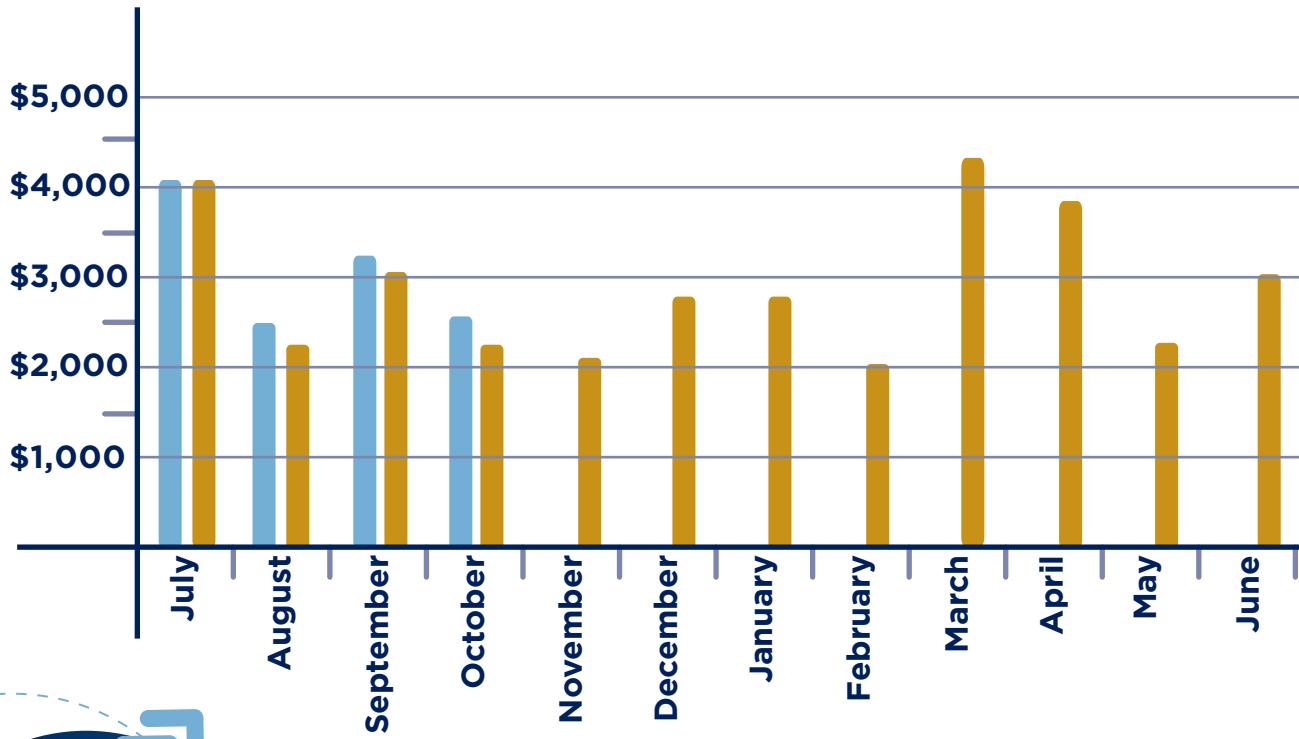
2020-2021 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

Through August, General Fund collections totaled \$6.7 billion in 2020-21

Actual Revenue

Estimated Revenue



GRAPH

ACTUAL
FIGURES
(in millions)

Month	Actual Revenues	Estimated Revenues
July	4,104	4,103
August	2,548	2,339
September	3,262	3,013
October	2,592	2,227
November		2,126
December		2,720
January		2,773
February		2,011
March		4,239
April		3,802
May		2,254
June		3,026