



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 NEW ONLINE FILING AND PAYMENT OPTIONS AVAILABLE ON MYPATH FOR CIGARETTE TAX, OTHER TAXES

2 TRANSPORTATION REVENUE OPTIONS COMMISSION SUBMITS REPORT TO GOVERNOR WOLF, GENERAL ASSEMBLY

3 NOTICES OF PENALTY ADJUSTMENT BEING MAILED TO TAXPAYERS

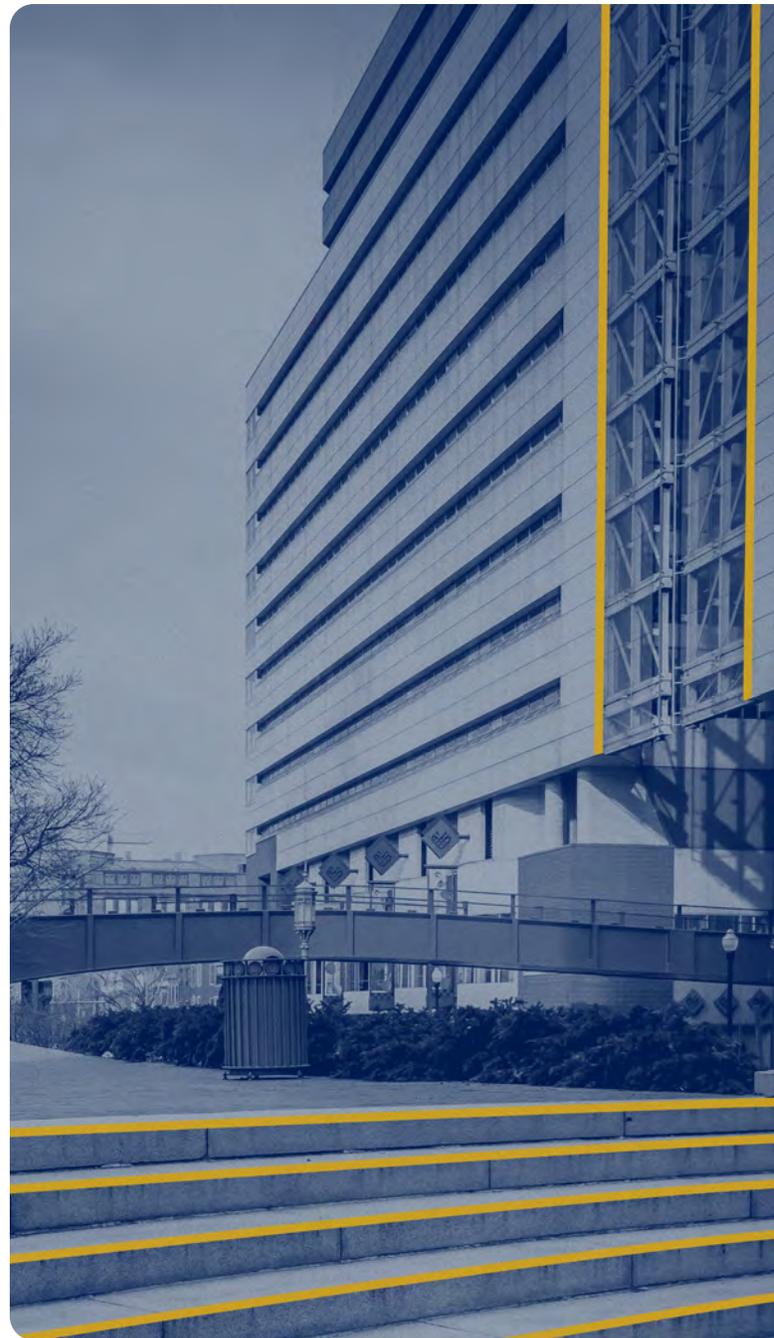
4 2021 DEPARTMENT OF REVENUE TAX SEMINARS

5-6 PENNSYLVANIA TAXPAYERS AFFECTED BY HURRICANE IDA HAVE MORE TIME TO FILE TAX RETURNS

7 BOARD OF APPEALS UPDATES OPERATING PROCEDURES

8 REVENUE STAFF ATTEND NESTOA ANNUAL CONFERENCE

9 2020-21 GENERAL FUND REVENUES



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

- Revenue Secretary Dan Hassell

NEW ONLINE FILING AND PAYMENT OPTIONS AVAILABLE ON MYPATH FOR CIGARETTE TAX, OTHER TAXES

myPATH, the Department of Revenue's online tax filing system, now offers electronic filing and payment options for Cigarette Tax and a number of other miscellaneous taxes. These taxes were recently transitioned to **myPATH** to provide new online service options for the department's customers to easily address their tax obligations.

Below is an overview of the taxes that were recently transitioned to **myPATH**.

Cigarette Tax

- Non-participating Manufacturer (NPM) Reporting
- Prevent All Cigarette Trafficking (PACT) Act Reporting
- Cigarette Stamping Agency (CSA) Purchase Orders and Payments
- Cigarette Stamping Agency (CSA) Reporting
- Fire-Safe Certification
- Cigarette Wholesaler Reporting

Visit the **myPATH for Cigarette Tax page** for a list of tax reports and associated schedules supported by **myPATH**.

Cooperatives

- Cooperative Agricultural Association
- Electric Cooperative Corporation

Visit the **myPATH for Agricultural Association & Electric Cooperative Corporation Taxes page** for a list of tax reports and associated schedules supported by **myPATH**.

Pari-Mutuel Wagering

Visit the **myPATH for Pari-Mutuel Wagering Tax page** for a full list of tax reports and associated schedules supported by **myPATH**.

Tavern Games

Visit the **myPATH for Tavern Games page** for a full list of tax reports and associated schedules supported by **myPATH**.

How to Enroll for a myPATH account?

For those with obligations for the taxes noted above, you will need to create a username and password to use **myPATH** for filing and making payments. With a **myPATH** profile, you will also be able to view letters from the department, update names and addresses, send messages directly to the department, and create additional profiles to file reports and remit payments on your behalf, among other options.

Account holders will need either the Federal Employer Identification Number (FEIN) or the Social Security

number (SSN) associated with their business or association to register for **myPATH**. To create a **myPATH** account, please visit **www.mypath.pa.gov**.

Note: The prior non-paper filing options for these tax types will no longer be available now that the taxes have been transitioned to **myPATH**. The decommissioning dates vary for each prior tax system, but all were retired by September 30, 2021.

Revenue Partnership with Fast Enterprises, LLC

These new online filing and payment options are the result of Department of Revenue staff and employees of the Employment, Banking, and Revenue Delivery Center 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.



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

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 improve overall taxpayer service.

Cigarette Tax and other miscellaneous taxes were transitioned to **myPATH** as part of a fourth phase of the department's modernization project with Fast Enterprises, LLC. With the fourth phase completed successfully, work is underway to transition all of the business taxes the department administers — including Employer Withholding Tax, Sales Tax and Corporation Taxes — to **myPATH**. This work is on schedule to be completed in late 2022. 📌

“Expanding the customer service options available through myPATH is making it easier for our customers to meet their tax obligations. Our modernization project team has done a great job of keeping us on schedule and on budget as we have continued our work to improve online services for our taxpayers.”

- Revenue Secretary Dan Hassell

TRANSPORTATION REVENUE OPTIONS COMMISSION SUBMITS REPORT TO GOVERNOR WOLF, GENERAL ASSEMBLY

The Pennsylvania Department of Transportation (PennDOT) and members of the Transportation Revenue Options Commission (TROC) recently submitted a comprehensive report to Governor Tom Wolf and the General Assembly detailing funding recommendations for Pennsylvania's vast transportation network.

Department of Revenue Secretary Dan Hassell was one of more than 50 TROC members. The group was comprised of transportation, economic, and community stakeholders from the public and private sectors, including majority and minority leaders from the House and Senate Transportation and Appropriations committees.



DEPARTMENT OF REVENUE SECRETARY,
DAN HASSELL

"As the Transportation Revenue Options Commission met frequently in recent months, it became very clear that our commission benefited greatly from a diverse group of experts and stakeholders," Secretary Hassell said. "Because the commission included authorities from state and local governments, members of the General Assembly, and transportation professionals, we were able to analyze the issues at hand from many vantage points. That helped us generate a thorough report that provides solutions to address Pennsylvania's critical transportation funding needs in the near term and in the future."

"I wholeheartedly thank the members of TROC for their hard work and engagement," said PennDOT Secretary Yassmin Gramian, who serves as TROC chair. "Throughout this process, we have had thoughtful and productive discussions, and we are now presenting the governor and the General Assembly with a host of well-researched options for consideration."

In 2019, the Transportation Advisory Committee (TAC) identified major risks to transportation funding such as reduced fuel revenues, unpredictable federal funding, and legislative changes to reduce commitments. PennDOT's latest assessment places the annual gap of its needs in all state-level modes and facilities at \$9.3 billion, growing to an annual \$14.5 billion gap by 2030. Additionally, infrastructure maintained by local governments faces an annual shortfall of nearly \$4 billion, growing to \$5.1 billion per year by 2030.

The TROC report presented an overview of transportation funding in Pennsylvania and outlines the commission's review of several potential revenue sources including road user charges, tolling, redirection of funding, fees, and taxes. Analysis of each option includes potential revenue that a given solution could bring the commonwealth, concerns raised by commission members relating to each option, and suggested next steps.

The TROC's work was informed by presentations and materials provided during and associated with its nine meetings held since March 25. Those materials – such as a report of PennDOT Efficiencies – can be found with meeting presentations, minutes, and recordings on the TROC page.

Now that the report has been submitted, TROC recommends that leadership and technical teams be established to support the Administration and General Assembly in further evaluation and implementation of potential funding options.

"Our work is far from over," said Gramian. "PennDOT is committed to continued collaboration with stakeholders and our colleagues in the General Assembly in support of reliable transportation funding."

For more information about transportation funding in Pennsylvania, visit www.penndot.gov/funding.



NOTICES OF PENALTY ADJUSTMENT BEING MAILED TO TAXPAYERS

As part of continuing efforts to foster a government that works and provide a better customer experience, the Department of Revenue has started automatically granting relief for first time recipients of a penalty for one of the following three reasons:

1. Bad Payment Fee
2. Electronic Funds Transfer (EFT) Penalty
3. Late Filing Penalty

This means the department will mail letters to business taxpayers notifying them of the penalty relief. The recipients will be business taxpayers who file for sales, employer withholding or corporation taxes and have never received the penalty in the past. This new process eliminates the need for customers to file a petition with the Board of Appeals.

What Will Happen Now:

Customers will no longer receive the original Penalty Assessment Notice if they are a first-time offender. Instead, they will receive a Notice of Penalty Adjustment that explains what was done incorrectly and what the customer needs to do now.

Penalty Forgiveness:

Explains to the customer what the penalty was for, what payment there was an issue with, and the penalty amount that was forgiven.

Why you are receiving this notice:

Explains to the customer that they are receiving relief this one time along with why the penalty was assessed:

- **Bad Payment Fee** - Penalty is assessed because the payment was disallowed by the financial institution. In addition, any liabilities associated with the disallowed payment may still be due.
- **EFT**- A penalty of 3% of the total tax due up to \$500 is assessed for failing to submit payments via EFT for a payment amount of \$1,000 or more.
- **Late Filing** - Penalty is assessed because the tax return was not filed by the filing due date.

What you need to do:

Explains to the customer what they need to do now to prevent this from happening in the future. It also advises them to email RA-RV-BTA-ASMNTINQ@PA.GOV should they have any questions.

- **Bad Payment Fee** - Customers should verify their ABA routing and account number with their financial institution.
- **EFT**- Any payment of \$1000 or more must be remitted electronically for sales tax, employer withholding or corporate net income tax. It also includes the different electronic payment options.
- **Late Filing** - All returns must be filed by the due date. It also offers methods for electronic filing.

Notice of Penalty Adjustment

Penalty Type	Payment Date	Payment Amount Received	Penalty Amount Forgiven

Why you are receiving this notice

What you need to do

2021 DEPARTMENT OF REVENUE TAX SEMINARS

The Department of Revenue's annual series of Tax Seminars officially kicked off in September. Tax professionals are encouraged to learn about changes to state tax laws and policies during one-day seminars held across the state and virtually.

The tax seminars educate tax professionals on personal income tax, sales tax, corporate taxes, compliance initiatives and using the department's website to establish

tax accounts for new businesses, file tax returns and pay state taxes.

The schedule below includes a listing of seminar dates and locations. You can also find updated information — including hyperlinks for the virtual seminars — by visiting the [Tax Seminars page](#) on the Department of Revenue's website. 📌

Dates	Conference Location	Sponsor	Contact
October 5	Radisson Penn Harris Hotel & Convention Ctr 1150 Camp Hill Bypass US 15 Camp Hill, PA 17011	Harrisburg PSTAP	Sherry DeAgostino 800-270-3352 sherry@pstap.org
October 20	DoubleTree by Hilton Reading 701 Penn Street Reading, PA 19601	Central Chapter PSTAP	Sherry DeAgostino 800-270-3352 sherry@pstap.org
October 21	Cranberry Regional Learning Alliance Center 850 Cranberry Woods Dr Cranberry Township, PA 16066	Pittsburgh PSTAP	Sherry DeAgostino 800-270-3352 sherry@pstap.org
October 28	Springfield Country Club 400 W. Sproul Rd (Rte 320) Springfield, PA 19064	Philadelphia Tri-County PSTAP	Sherry DeAgostino 800-270-3352 sherry@pstap.org
November 3	Virtual (link not yet available)	PSTAP	Sherry DeAgostino 800-270-3352 sherry@pstap.org
November 9	1/2 Day Virtual Registration Here	Wilkes University Continuing Education Dept.	Margaret Petty 570-408-4460 margaret.petty@wilkes.edu
November 12	1/2 Day Virtual Registration Here	Wilkes University Continuing Education Dept.	Margaret Petty 570-408-4460 margaret.petty@wilkes.edu
December 6	The Woodlands Inn and Resort Highway 315 Wilkes-Barre, PA 18766	Wilkes University Continuing Education Dept.	Margaret Petty 570-408-4460 margaret.petty@wilkes.edu
December 15	Virtual (link not yet available)	McDevitt & Kline	Bill Kline 570-251-3805 william.kline@ceworkshops.com

PENNSYLVANIA TAXPAYERS AFFECTED BY HURRICANE IDA HAVE MORE TIME TO FILE TAX RETURNS

The Department of Revenue is extending the due dates to file various individual and business tax returns for taxpayers in parts of Pennsylvania who were affected by Hurricane Ida. **Importantly, taxpayers should know that this extension does not apply to tax payments.**

This guidance follows an announcement from the IRS, **which also extended the due dates** for various individual and business tax returns on the federal level. As the IRS announced, the extension applies to any area designated by the **Federal Emergency Management Agency (FEMA)** as qualifying for individual or public assistance. This includes Bucks, Chester, Delaware, Montgomery, Philadelphia, and York counties, but taxpayers in Ida-impacted localities in other parts of Pennsylvania, subsequently designated by FEMA, are eligible for the same filing relief. The current list of eligible localities is available on the **disaster relief** page on **IRS.gov**.

Here are other important details to keep in mind:

- The tax relief for those affected by Ida postpones various tax return filing deadlines that occurred starting on Aug. 31, 2021.
- Affected individuals who had a valid extension to file their 2020 Pennsylvania Personal Income Tax return (PA-40) due to run out on November 15, 2021, will now have until Jan. 3, 2022, to file. Although this is the case, the Department of Revenue is reminding taxpayers that payments related to these 2020 returns are not eligible for an extension. These Pennsylvania income tax payments were due on May 17, 2021.
- Businesses and estates/trusts with an original or extended due date also have additional time to file. This includes calendar-year partnerships and S corporations whose 2020 extensions ran out on Sept. 15, 2021, calendar year estates or trusts whose 2020 extensions run out on Sept. 30, 2021, and calendar-year corporations whose 2020 extensions run out on Nov. 15, 2021 (see chart below).

ENTITY	FORM	TAX YEAR	STATE DUE DATE	ORIGINAL PA DUE DATE WITH FEDERAL EXTENSION	STATE DUE DATE (IDA RELIEF)	NEW PA DUE DATE WITH FEDERAL EXTENSION (IDA RELIEF)
Partnerships	PA-20S/PA-65	2020	4/15/2021	9/15/2021	N/A	1/3/2022
S Corporations	PA-20S/PA-65	2020	4/15/2021	9/15/2021	N/A	1/3/2022
Trusts/Estates	PA-41	2020	4/15/2021	9/30/2021	N/A	1/3/2022
Individuals	PA-40	2020	5/17/2021	11/15/2021	N/A	1/3/2022
Corporations	RCT-101	2020	5/17/2021	11/15/2021	N/A	2/2/2022

- Corporate taxpayers affected by Hurricane Ida who are filing the form RCT-101 will have more time to file. To avoid a late file penalty assessment, RCT-101 taxpayers should email a request on company letterhead and signed by a corporation official to RA-RVnoticeofadjustm@pa.gov. Please include the name and address of the business where the tax records are located, and the 10-digit account ID of the taxpayer. Here are the due dates for RCT-101 filers:

**PENNSYLVANIA TAXPAYERS AFFECTED BY HURRICANE IDA
HAVE MORE TIME TO FILE TAX RETURNS**

• • • continued from previous page

TAX YEAR	STATE DUE DATE	STATE DUE DATE WITH FEDERAL EXTENSION	STATE DUE DATE WITH IDA RELIEF	STATE DUE DATE WITH FEDERAL EXTENSION
9/1/2020 - 8/31/2021	1/14/2022	N/A	2/2/2022	N/A
8/1/2020 - 7/31/2021	12/15/2021	N/A	2/2/2022	N/A
7/1/2020 - 6/30/2021	11/15/2021	N/A	2/2/2022	N/A
6/1/2020 - 5/31/2021	10/15/2021	N/A	2/2/2022	N/A
5/1/2020 - 4/30/2021	9/14/2021	N/A	2/2/2022	N/A
4/1/2020 - 3/31/2021	8/16/2021	2/14/2022	N/A	N/A
3/1/2020 - 2/28/2021	7/15/2021	1/14/2022	N/A	2/2/2022
2/1/2020 - 1/31/2021	6/16/2021	12/15/2021	N/A	2/2/2022
1/1/2020 - 12/31/2020	5/17/2021	11/15/2021	N/A	2/2/2022
12/1/2019 - 11/31/2020	4/15/2021	10/15/2021	N/A	2/2/2022
11/1/2019 - 10/31/2020	3/17/2021	9/14/2021	N/A	2/2/2022

Contacting the Department of Revenue

Taxpayers are encouraged to use the department's Online Customer Service Center for customer service. This is a way for taxpayers to submit a question to the department in a secure, electronic process that is similar to sending an email. The **Online Customer Service Center** also contains the answers to hundreds of common tax questions.

The Department of Revenue also encourages taxpayers to use the department's **Schedule a Call** service to make an appointment to receive a call from a department representative. This is a way for customers to schedule a phone call at a time that is convenient for them. Other contact information for the department is available online by visiting **Contacting the Department by Telephone** and **Regional and District Offices**. 📞

BOARD OF APPEALS UPDATES OPERATING PROCEDURES

The **Board of Appeals** recently updated its operating procedures (see **Board of Appeals** on the Department of Revenue website). Specifically, all of the Board's hearings will now be conducted virtually and will be digitally recorded. Petitioners will receive an electronic invitation from the hearing officer to join the hearing. The petitioner always has the option to waive the hearing and request that the decision be based on the record.

As a reminder, the Board of Appeals was established to review initial actions taken by the Department of Revenue against a taxpayer (such as an assessment); requests for refunds submitted by taxpayers; denials of property tax/rent rebate claims and charitable exemptions. If you wish to request a refund or appeal an assessment or determination, a petition must be filed with the Board of Appeals.

You can file a petition electronically at www.boardofappeals.state.pa.us. When an online appeal is submitted, the petitioner will be provided with a confirmation number that the appeal has been received. The petitioner should keep a record of that confirmation number.

The Board of Appeals will use the following to determine the filing date of a submission to the Board:

1. United States Postmark or the date by which the United States Postal Service takes control of the package; or

2. Date of the timestamp on a petition filed electronically; or
3. Date received by the Board.

Note: Please be aware that the Board of Appeals does not accept petitions by email or fax.

Petitions may be mailed to the Board at the following addresses:

**PA DEPARTMENT OF REVENUE
BOARD OF APPEALS
PO BOX 281021
HARRISBURG PA 17128-1021**

For Express Mail:

**PA DEPARTMENT OF REVENUE
BOARD OF APPEALS
4TH AND WALNUT STS
STRAWBERRY SQ 10th FL
HARRISBURG PA 17120**

The Board of Appeals can be reached by calling 717-783-3664. Forms can be downloaded from the Board's Online Petition Center at www.boardofappeals.state.pa.us, or obtained by calling 1-888-PATAXES (728-2937). 📄



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REVENUE STAFF ATTEND NESTOA ANNUAL CONFERENCE

Representatives from the Department of Revenue recently spent time in Pittsburgh at the annual conference of the Northeastern States Tax Officials Association (NESTOA). The conference provided Revenue staff with the opportunity to present on relevant topics for tax administrators and also participate in roundtable discussions with people from other states.

NESTOA is a collaborative association that includes the states of Maryland, Delaware, New Jersey, Pennsylvania, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and Maine. The District of Columbia, New York City, and the City of Philadelphia are also members. 🏠



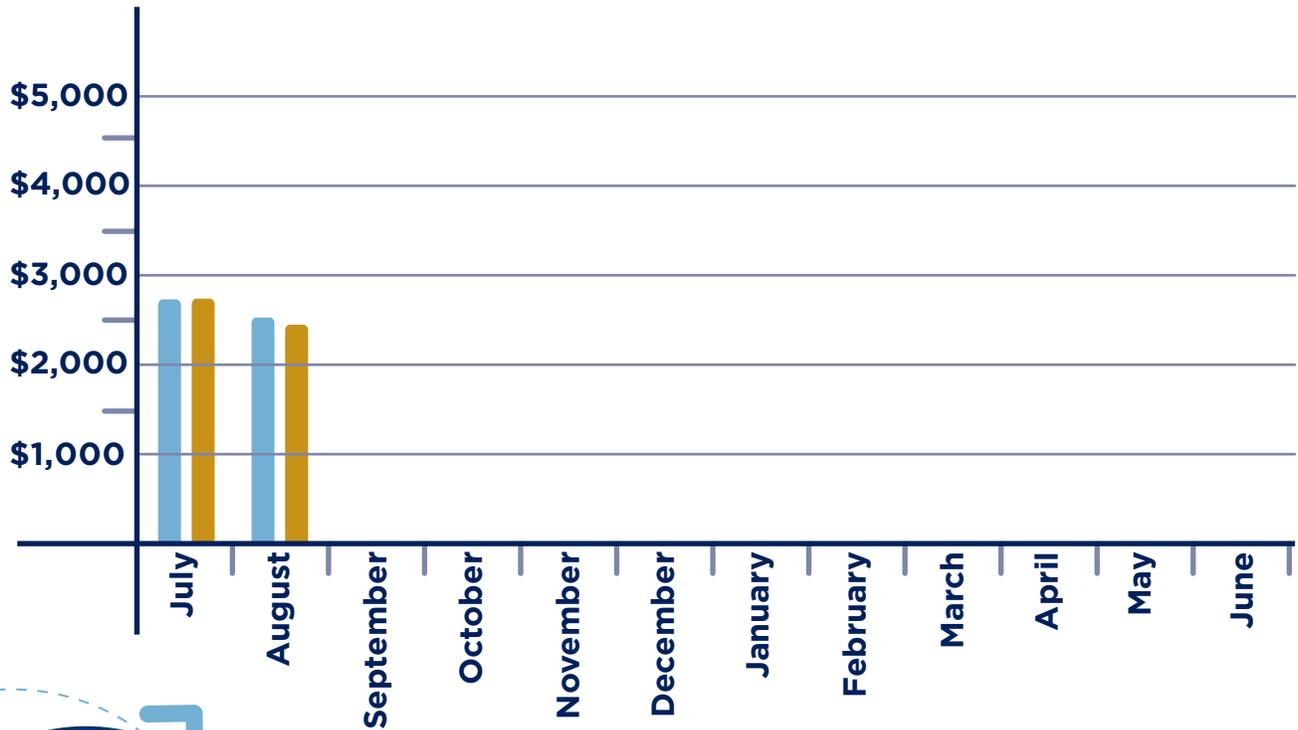
2020-2021 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

General Fund collections totaled \$5.3 billion in 2021-22

Actual Revenue

Estimated Revenue



GRAPH

ACTUAL FIGURES
(in millions)

Month	Actual Revenues	Estimated Revenues
July	2,700	2,703
August	2,574	2,439
September		
October		
November		
December		
January		
February		
March		
April		
May		
June		