



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

number 223 DEC 2022/JAN 2023

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

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Update
e-alerts

Acting Secretary of Revenue
Pat Browne

Governor
Josh Shapiro



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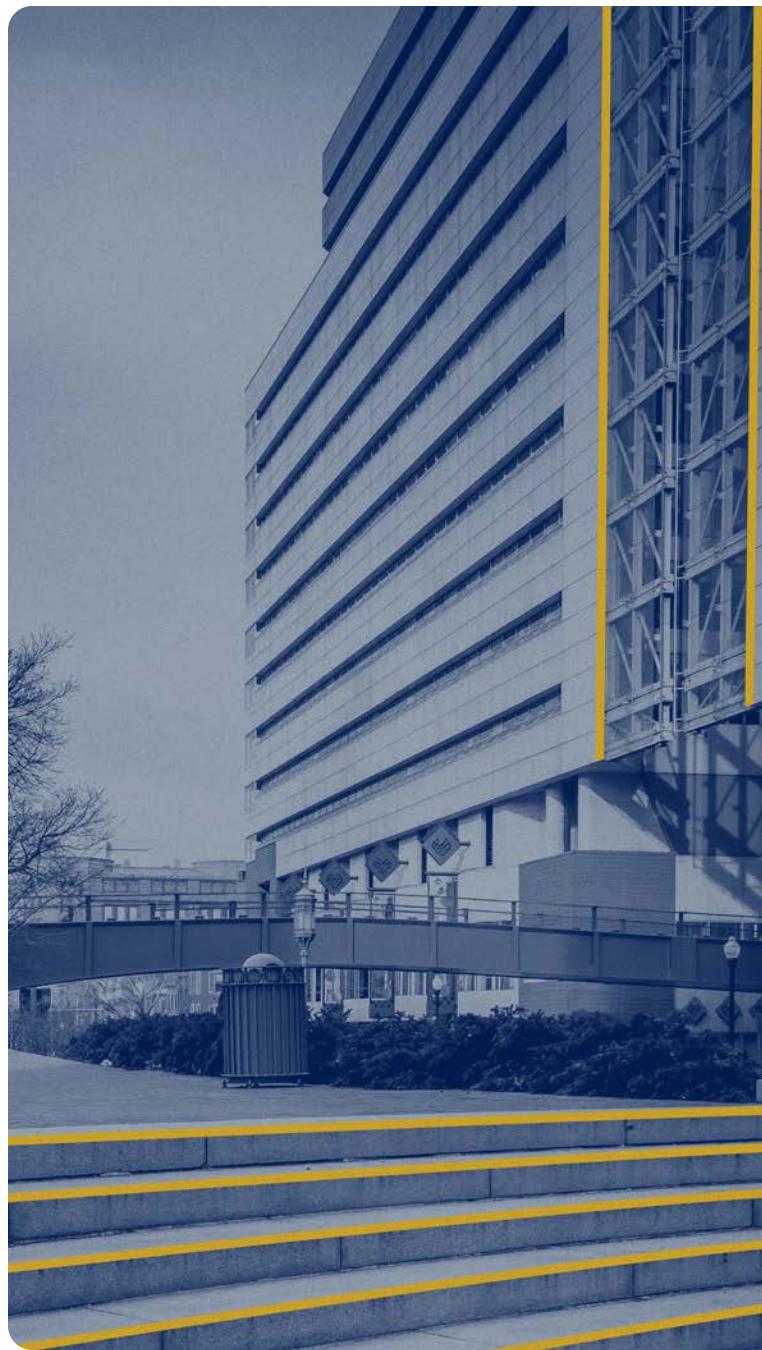
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The No. 1 goal in the department's strategic plan is to continually improve customer service.

- Acting Revenue Secretary Pat Browne

GOVERNOR SHAPIRO NOMINATES PAT BROWNE AS NEXT SECRETARY OF REVENUE

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I am **humbled** to have this opportunity to serve the **Governor** and the people of **Pennsylvania...**



Governor Josh Shapiro recently announced the nomination of former state Sen. Pat Browne as the next Secretary of Revenue. Browne's cabinet appointment was announced along with three others — Rick Siger as Secretary of Community and Economic Development, Michael Carroll as Secretary of Transportation (PennDOT), and Sarah Hammer as Secretary of Banking and Securities.

“I’m proud to nominate this well qualified, bipartisan group of public servants. I’m confident Rick Siger, Mike Carroll, Pat Browne, and Sarah Hammer will bring new energy to Pennsylvania state government and help make us a national leader in innovation, manufacturing, and job creation,” said Governor Shapiro. “At a time where Pennsylvania families are being crushed under a mountain of rising prices, we need leaders who will focus on reigniting Pennsylvania’s economy and providing relief for working families across the Commonwealth. All four are dedicated to serving our Commonwealth by investing in key infrastructure projects, bringing a renewed focus to help small businesses and revive main streets in Pennsylvania, and working to ensure consumers and businesses are well-informed and protected.”

“I am humbled to have this opportunity to serve the Governor and the people of Pennsylvania, and to join an Administration that will work every day to move our Commonwealth forward,” Browne said. “As the head of the Appropriations Committee in the Senate, I have been a steward of our Commonwealth’s fiscal health, and as a member of the Shapiro Administration, I will work to ensure our Department runs programs fairly and efficiently. We will be responsible stewards of taxpayer dollars as we work to advance Governor-Elect Shapiro’s vision of freedom and opportunity here in Pennsylvania.”

Browne, an Allentown native, served as a Republican member of the Pennsylvania State Senate for the 16th District from 2005 to 2022. He was first elected to the Senate following a special election in April of 2005 and served for 18 years until November 2022. Prior to joining the Senate, Browne represented the 131st District for 10 years as a member of the state House of Representatives. During his service in the Senate, he was elected by his colleagues in the Senate

Republican Caucus to serve as Senate Appropriations Committee Chairman for four consecutive legislative sessions from 2014-22. The committee, the most powerful of the Senate’s standing committees, reviews all legislation for its fiscal impact and plays a crucial role in developing the state budget.

Browne was the author of dozens of initiatives ranging from job creation to education to reforming state government. He wrote several laws which fundamentally reformed Pennsylvania’s public pension systems and created an independent fiscal office to monitor state spending and the budget process. He led in rewriting both the Pennsylvania Basic Education and Special Education funding formulas. Browne also was the Founding Chairman of the Early Childhood Education Caucus and the Arts and Culture Caucus. He has received national recognition for his Early Childhood advocacy and was widely acknowledged to be Pennsylvania’s leading proponent.

In 2009, Browne crafted the one-of-a-kind, 130-acre Neighborhood Improvement Zone (NIZ) to help revitalize and expand the tax base of the then financially struggling city of Allentown. There has already been more than \$1 billion of new development investment in Allentown and more than \$13 million in annual school property tax revenues for Allentown School District generated through the zone. The NIZ has already served as a model for economic development in other distressed areas – cities, boroughs and townships – throughout the Commonwealth with the creation of the City Revitalization and Improvement Zones (CRIZ) which will afford a similar tax financing program to smaller cities in Pennsylvania.

Browne also worked as Certified Public Accountant and attorney. He was a tax manager for Coopers and Lybrand from 1990 to 1994 and a tax supervisor for Price Waterhouse from 1986 to 1990.

Browne is a graduate of the University of Notre Dame and Temple University Law School. He is a graduate of Allentown Central Catholic High School. 🏫

PENNSYLVANIANS ENCOURAGED TO USE MYPATH TO FILE 2022 PA TAX RETURNS

With the tax filing season now open, the Department of Revenue is encouraging taxpayers and tax professionals to use a free online option to file their Pennsylvania personal income tax returns. Taxpayers can visit mypath.pa.gov to file PA tax returns through the department's state-only filing system.

myPATH is user friendly and can also be used to make income tax payments. The deadline to submit 2022 personal income tax returns is **Tuesday April 18, 2023**.

If you're looking to avoid paying someone else a fee to file your PA return for you, **myPATH** is a great alternative. This online filing option helps us deliver on Governor Shapiro's promise to keep costs down for Pennsylvanians and their families," Acting Revenue Secretary Pat Browne said. "You can access **myPATH** from a computer, tablet or mobile phone, which makes it easy to file your return at a time and place that are convenient for you."

Important Features in **myPATH**

Taxpayers do not need to create a username or password to perform many functions in **myPATH**. That includes filing the Pennsylvania Personal Income Tax Return (PA-40), making a payment, responding to department requests for information, and checking the status of a refund.

In order to file the PA-40, taxpayers will need to provide their Social Security number and either: (1) the tax liability for a previous tax year; or (2) their birth date, Pennsylvania driver's license/photo ID number and the expiration date for the license/photo ID. **myPATH** offers error-reducing automatic calculators and provides instant confirmation that your return has been successfully filed.

If you choose to create a username and password in **myPATH**, you'll have the ability to update/ view detailed

account information and notices. You can also manage third-party access to your account, meaning you can give a tax professional or another person access to file your return and make payments on your behalf.

April 18 Deadline

All taxpayers who received more than \$33 in total gross taxable income in calendar year 2022 must file a Pennsylvania personal income tax return by midnight, **Tuesday, April 18, 2023**.

Taxpayer Service and Assistance

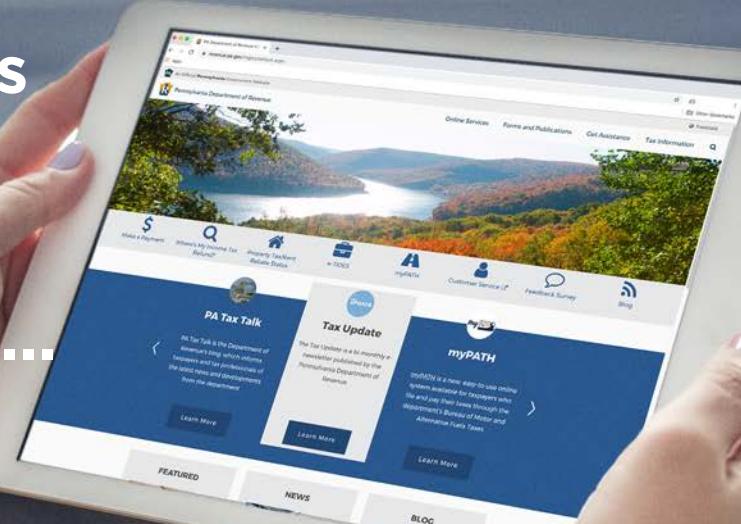
Personal income tax assistance is also available through the department's Online Customer Service Center and by calling 717-787-8201 between 8:30 a.m. and 5 p.m., Monday through Friday. The Online Customer Service Center contains answers to hundreds of common income tax questions and allows taxpayers to securely submit a question to the department through a process that is similar to sending an email.

Taxpayers may also visit a Department of Revenue district office for state personal income tax filing assistance. Assistance at district offices is available from 8:30 a.m. to 5 p.m., Monday through Friday, and taxpayers are encouraged to bring their Social Security cards and photo identification with them to facilitate tax filing.

Taxpayers can check the status of their refunds online by selecting the Where's My Income Tax Refund? link on the department's homepage; or by calling 1-888-PATAXES. Taxpayers will be prompted to provide their Social Security number and requested refund amount to obtain the current status.

Free tax forms and instructions are available at www.revenue.pa.gov.

You can access
myPATH from
a computer,
tablet or
mobile phone...



REMINDER: E-TIDES IS BEING SHUT DOWN ON FEBRUARY 24, 2023; SIGN UP NOW FOR MYPATH ACCOUNT

Business taxpayers are strongly encouraged to act now and sign up for an account on **myPATH**. This is the new and improved online system where the Department of Revenue's customers can handle their registration, filing and payment obligations for Pennsylvania taxes. The new taxes available in the system include sales tax, employer withholding, and corporation taxes, among many others.

As part of this transition, the Department of Revenue will be retiring e-TIDES, the prior online filing system for business taxpayers, as of Feb. 24, 2023. That means taxpayers will no longer be able to use e-TIDES to file returns and make payments after this point. Instead, they will need to use **myPATH** to handle these tax obligations.

With many important due dates coming up, now is the time to create your **myPATH** account. **myPATH** is also the system that is being used this year for W-2/1099 reporting. Taxpayers are required to sign up for an account on **myPATH** to submit W-2s, 1099-Rs, 1099 MISC, 1099 NEC and REV-1667s (Annual Withholding Reconciliation Statements).

The process to sign up for an account is simple and includes an option to migrate your prior account information from e-TIDES into **myPATH**. You can watch the Migrating e-TIDES Access instructional video for a simple tutorial

on how to do this. The Department of Revenue also has a number of other instructional videos pertaining to **myPATH** on its **myPATH** Video Tutorials page.

If you need assistance, the department encourages taxpayers to refer to several self-service options, including:

- **myPATH** Information page (available at revenue.pa.gov/mypathinformation)
- Online Customer Service Center (Contains answers to hundreds of common tax questions and can be used to securely submit a question)
- PATHfinder, the online chatbot, on **myPATH**

Customers in need of assistance may also contact the department by email at myPATH@pa.gov, or by phone at 717-425-2495, ext. 72841 (PATH1). The department has made a push to put more of its employees on the phones to assist with the transition to **myPATH**.

Don't delay if you need to sign up for a **myPATH** account. The department is hopeful to transition all of its customers to the new system as soon as possible. This move will improve customer service and be a great benefit for years to come. 🎉



e-TIDES will be shut down on February 24, 2023

**Business taxpayers will need to transition
from e-TIDES to myPATH to conduct business
with the Department of Revenue.**

For more info visit:

revenue.pa.gov/mypathinformation

Ryan Froman named Chair of Board of Appeals

The Department of Revenue is pleased to announce that Ryan Froman has been named the Chair of the Board of Appeals. Ryan was serving in this role in an acting capacity following the retirement of his predecessor, Lauren Zaccarelli.

Ryan has more than 16 years of experience with the Department of Revenue. He served as a tax appeals hearing officer from 2006 to 2013, and later worked as a board member focusing on corporate tax. In addition to his duties at the Board of Appeals, Ryan is also involved with broader initiatives within the Department of Revenue, including the Tax Policy Committee, the Corporate Tax Working Group, the Our Revenue Results Change Management Team, multiple LEAN projects, DEI initiatives, knowledge management initiatives, and leadership training.

Ryan holds a B.S. from Virginia Tech, a J.D. from the University of Pittsburgh School of Law, and an MBA from Carnegie Mellon University. Ryan's experience and education make him an excellent fit for the Chair position.

As Chair of the Board, Ryan will lead a body that is the first formal level in the adjudication of tax or rebate and refund appeals filed with the Department of Revenue. The Board is responsible for processing appeals by consistently applying laws, regulations, and department and board policies. It works to process all appeals as expeditiously as possible. 🏷



Helpful Tips for Tax Professionals on Filing Appeals

By Ryan Froman

As an introduction, I am Ryan Froman, and I am the new Chair of the Board of Appeals. Many of you have known and worked with Lauren Zaccarelli over the years. Lauren retired from the Chair position this past year, but I am looking to continue building upon her legacy and willingness to work cooperatively with tax professionals.

As you may know, the Board of Appeals (www.boardofappeals.state.pa.us) is the first formal level in the adjudication of tax or rebate and refund appeals in Pennsylvania. The Board will receive approximately 30,000 appeals this year and we currently have an average turnaround time of 65 days. In the interest of cooperation, I want to share a few tips to help you navigate the procedures of the Board of Appeals.

Tip #1 – When in doubt, file the appeal

As many of you know, the Department of Revenue has been modernizing its tax system in recent years and the business taxes (corporation taxes, sales tax, employer withholding) were recently added into the Pennsylvania Tax Hub (PATH) system. As a result of these tax system changes, in the coming months, you and your clients may see notices that look new and different. There is quite a bit of information about the PATH system and the new PATH notices (including a new library of short videos) on the Department of Revenue website (www.revenue.pa.gov).

However, if you are getting close to an appeal deadline and you are not sure what to do, I would recommend filing an appeal. It only takes a quick email to withdraw an appeal, however, if you miss an appeal deadline, the complications for your clients may be significant. Additionally, if you have an appeal question, you can always call the Board of Appeals (BOA Main Line: 717-783-3664).

Tip #2 – File appeals electronically

There are multiple benefits to filing your appeal electronically. The most important is that when you file the appeal electronically, you will receive a time stamped e-confirmation that establishes your appeal was received by the Board. Those practitioners who have used traditional mail delivery

services have faced delivery problems in recent years, and those delivery challenges have caused jurisdiction problems with some appeals. Be safe and file your appeal electronically. (Additionally, due to internal efficiencies with electronic appeals, on average, electronic appeals tend to be decided 10-20% sooner than paper filed petitions)

Tip #3 – Stay in communication with the Board

After a timely appeal is filed, it will be assigned to a Hearing Officer. You will receive an acknowledgement letter with the name, phone number and email address of the Hearing Officer (email is preferred). You should feel free to contact the Hearing Officer with any questions or clarifications pertaining to your appeal. While there are times where you may disagree with a decision of the Board, if there has been effective communication during the appeal process, the outcome of the appeal is rarely a surprise.

Tip #4 – Remember to tell us what you want

Many appeals filed with the Board of Appeals will spend a great deal of time describing what has happened up to the point the appeal is filed. Surprisingly however, many appeals forget to specifically ask what action or relief they are requesting. If you have specific tax calculations, this will also go a long way to avoid confusion about what relief is being requested.

Tip #5 – Provide your best evidence with the initial appeal

While situations will always arise where a client presents you with an assessment notice at the last minute, filing an appeal that states "evidence to follow later" will inherently slow down your clients' appeals. Separating evidence from the initial appeal can also lead to unnecessary confusion. Therefore, we encourage you to submit all appropriate evidence with the initial appeal. If something is missing or unclear, the Board will request more information. However, it is far easier for the Board to understand your appeal if the entirety of your petition and evidence are submitted up front. 🏷

ENROLL IN HEALTH COVERAGE THROUGH PENNIE THIS TAX SEASON

Path to Pennie™ is a program created to connect uninsured Pennsylvanians with health coverage offered through Pennie®, Pennsylvania's official health insurance marketplace and the only source for financial savings to reduce the cost of coverage and care. Nine out of 10 of Pennie's current customers qualify for financial savings.

The Pennsylvania Department of Revenue and Pennie have teamed up to allow uninsured tax filers to indicate they would like to receive more information about coverage available through Pennie by filling out tax form, REV-1882 'Health Insurance Coverage Information Request,' when they complete their Pennsylvania state income tax return.

By filling out this form, the tax filer will not only be taking advantage of a broad opportunity for 2023 health coverage, but also will get a jump start in the enrollment process. Pennie will take the information from the Department of Revenue to create a Pennie application on the tax filer's behalf. Pennie will then send the account information, including the savings for which they qualify, directly to the tax filer with next steps on how to enroll in coverage.

To learn more about Path to Pennie, tax form REV-1882, or how to access health coverage through Pennie, visit <https://pennie.com/learn/pathtopennie/> or call Pennie Customer Service at 1-844-844-8040. 🏰

Take the Path to Pennie at Tax time!



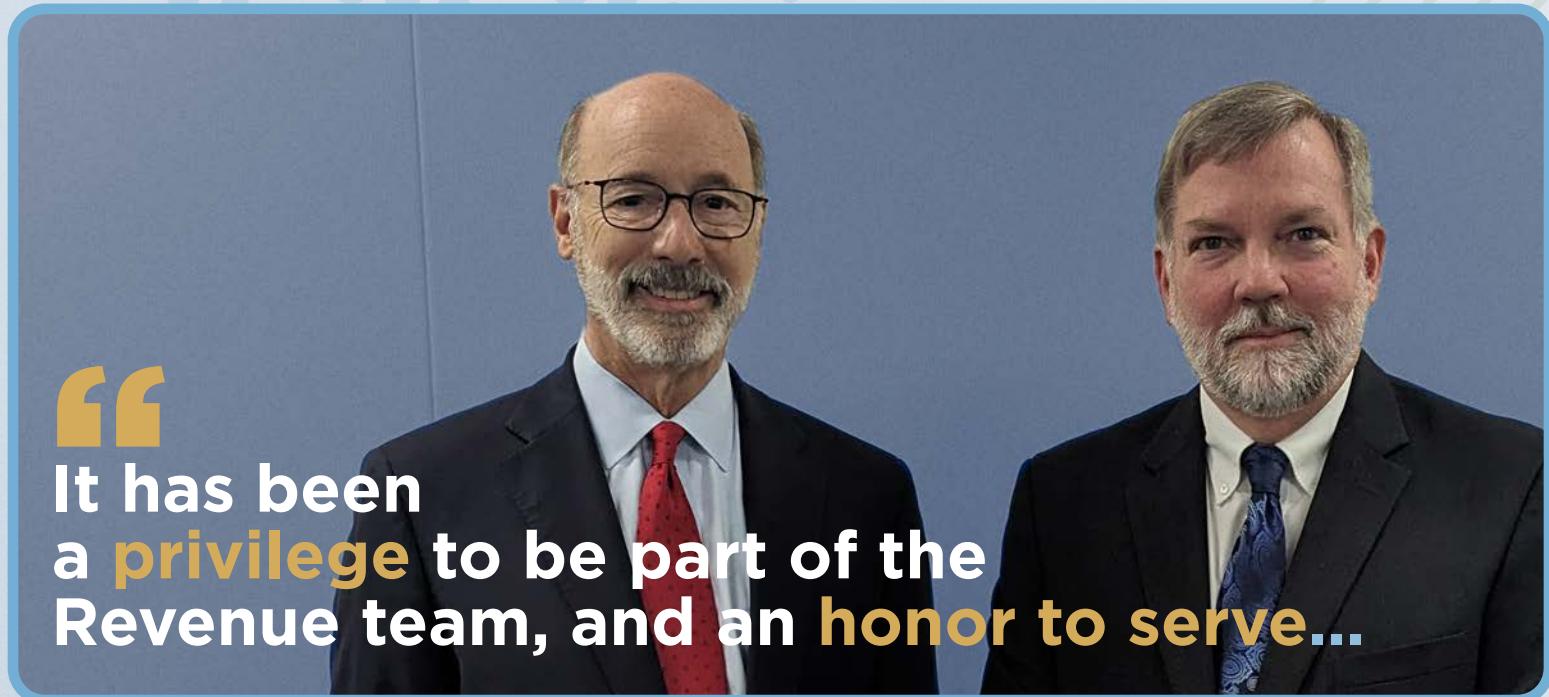
Learn more at



pennie.com/learn/pathtopennie

RETIREMENT CELEBRATION FOR DAN HASSELL

The Department of Revenue and outgoing Gov. Tom Wolf recently held a retirement celebration for Revenue Secretary Dan Hassell, who served the commonwealth for more than 41 years. In a message that he sent to Revenue employees prior to his departure, Secretary Hassell wrote in part, "Since 2017, I have had the privilege of sitting in the corner office and helping to lead this agency. More often than not, all I had to do was to champion your ideas and your hard work. It has been a privilege to be part of the Revenue team, and an honor to serve as the public face of the agency representing you." Everyone on the Revenue team congratulates Secretary Hassell and wishes him well in retirement. 🎉



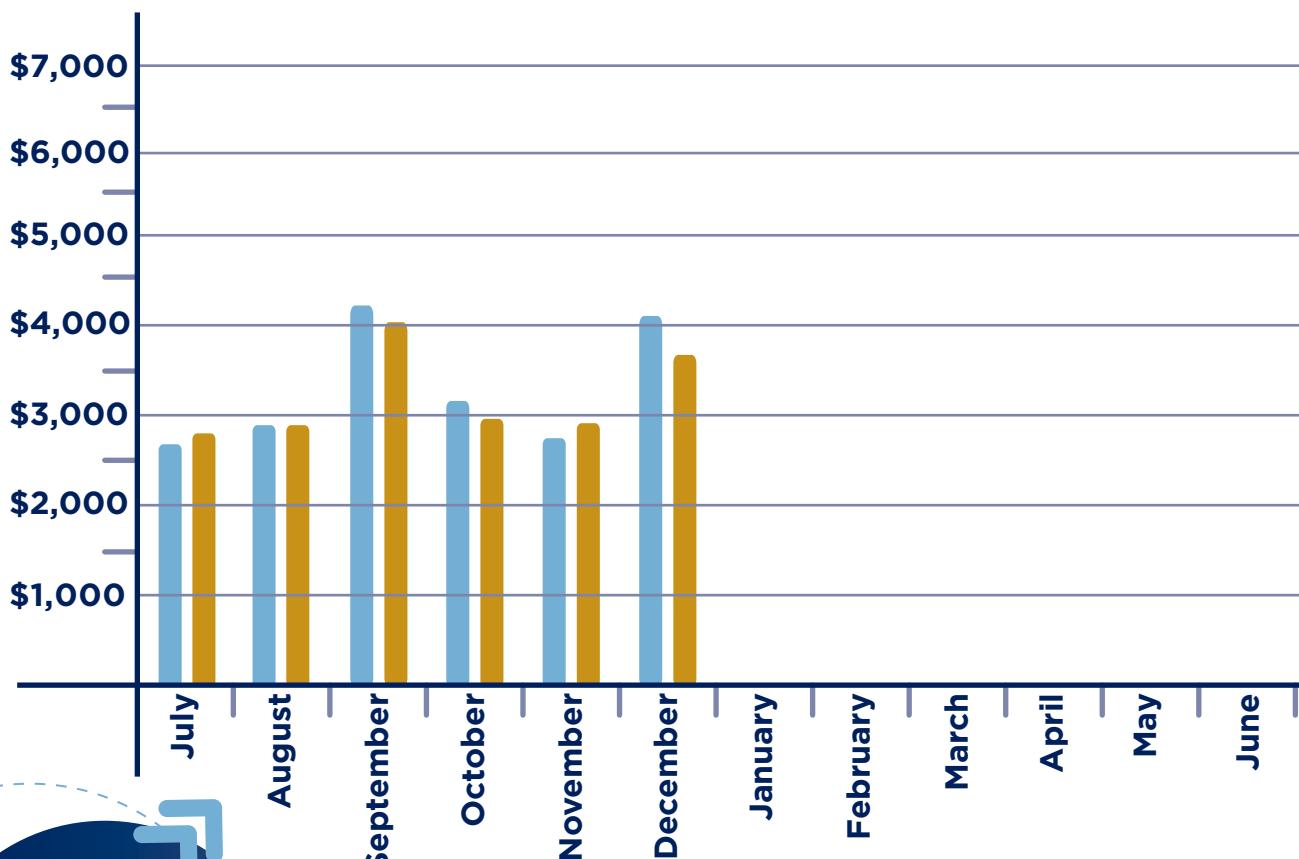
2022-2023 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

Through December, General Fund collections totaled \$19.7 billion

Actual Revenue

Estimated Revenue



GRAPH

ACTUAL
FIGURES
(in millions)

Month	Actual Revenues	Estimated Revenues
July	2,696	2,700
August	2,865	2,801
September	4,218	4,082
October	3,125	2,936
November	2,754	2,955
December	4,042	3,722
January		
February		
March		
April		
May		
June		