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

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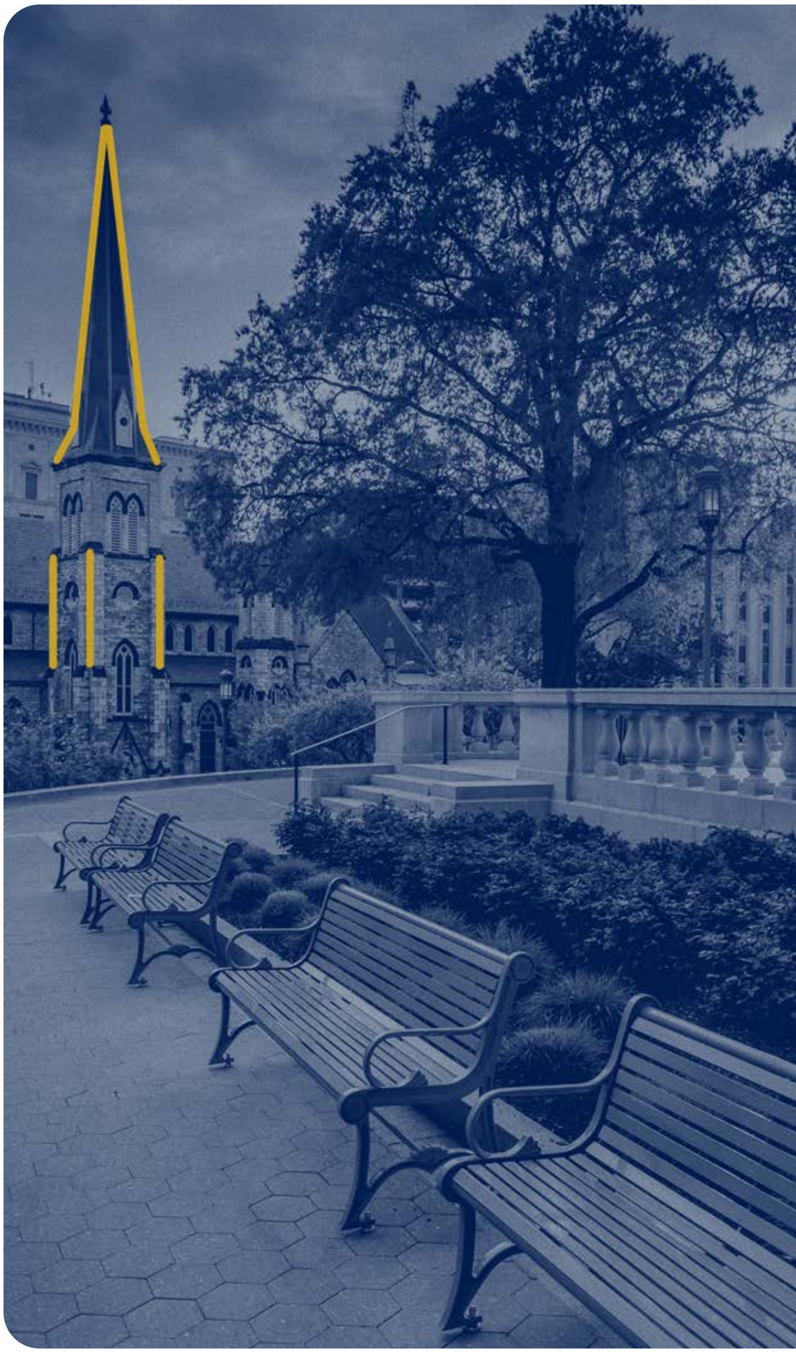


The No. 1 goal in the department's strategic plan is to continually improve customer service.

– Revenue Secretary Dan Hassell

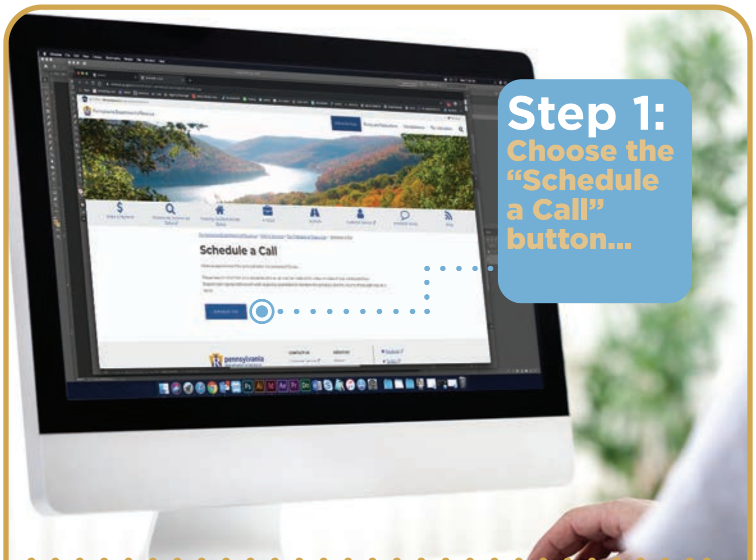
TAX PROFESSIONALS CAN NOW "SCHEDULE A CALL" WITH US

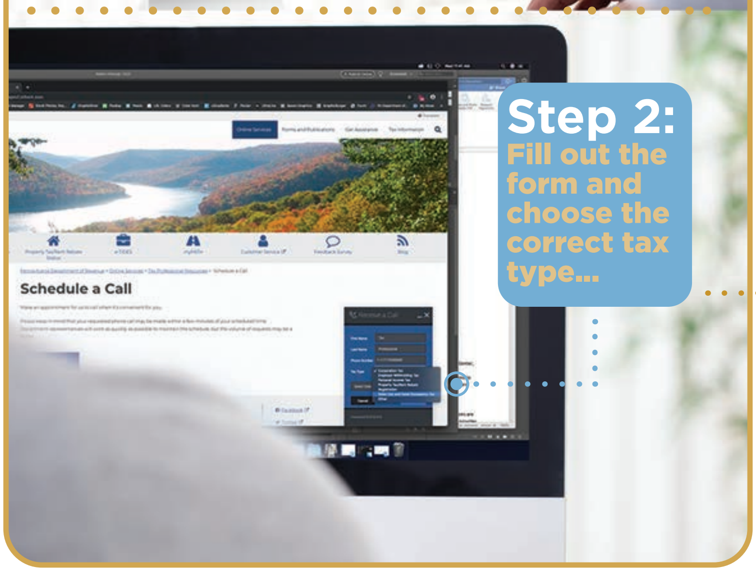
The Department of Revenue has launched Schedule a Call, a new online service that will allow tax professionals to schedule a call with a department customer service representative at a time that is convenient for them. The new service will give tax professionals a faster option to connect with the department, particularly during tax season when they are busy working on behalf of their clients.

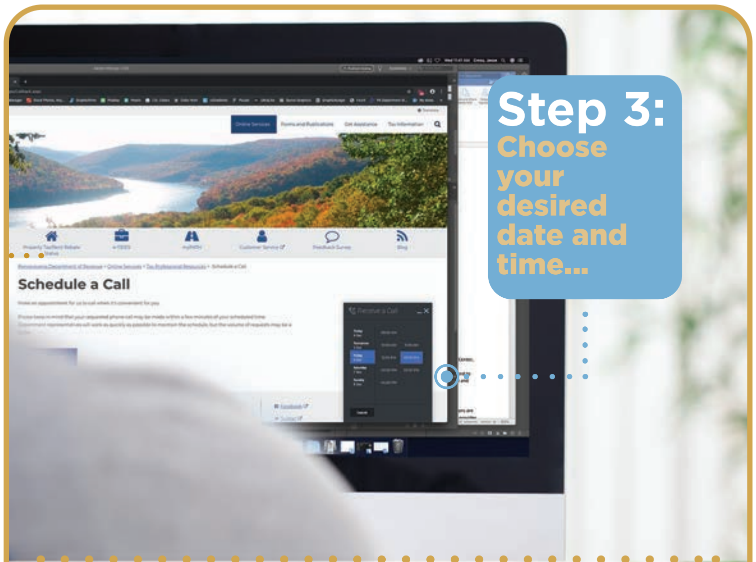
"This is a commonsense solution for the many tax professionals who have asked us for a streamlined process to get in touch with staff at our department," Revenue Secretary Dan Hassell said. "This is another step we are taking to improve customer service for tax professionals and the Pennsylvania taxpayers they work for."

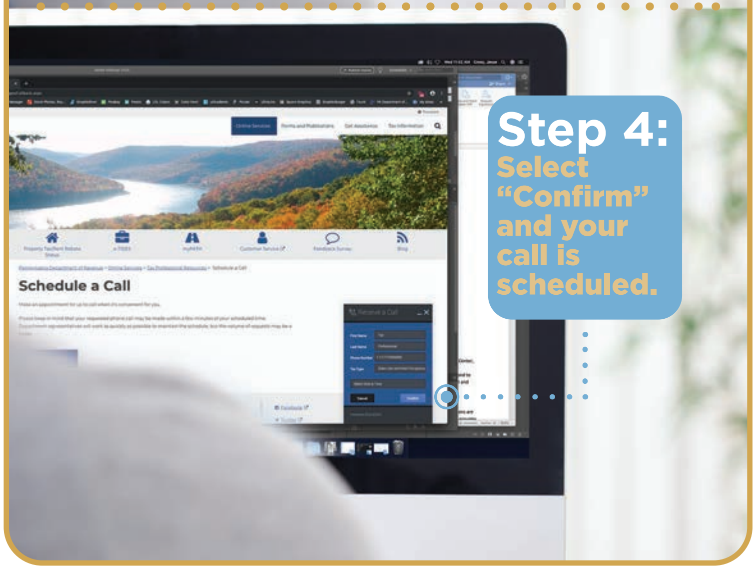
Here's How to Schedule a Call

Tax professionals should visit the **Schedule a Call web page** on the department's website, **www.revenue.pa.gov**, to select a specific time and date. Once a selection is made, the requested call will be logged and assigned to a representative from the department's Customer Experience Center. The CEC representative will then make the call to the taxpayer at the time they selected.









Calls may be scheduled between 9 a.m. and 4 p.m. on weekdays (Monday through Friday). CEC representatives are trained to discuss all major tax types.

As a reminder, in October 2018 the Department of Revenue launched the Customer Experience Center, a new centralized bureau in the department that has greatly helped department staff focus on improving customer service. The CEC is staffed with customer service representatives who respond to more than 240,000 phone calls per year, helping thousands of taxpayers receive the information and support they need.

Online Customer Service Center Has Answers to FAQs

Tax professionals who are looking for instant access to thousands of common tax-related questions are encouraged to visit the department's **Online Customer Service Center**. This online resource also provides FAQs sorted by tax type.

Note: 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.

OUT-OF-STATE LIEN ENFORCEMENT PROGRAM BRINGS IN $6 MILLION IN FIRST YEAR OF OPERATION

The Department of Revenue recently launched a new out-of-state lien enforcement program to help the department carry out its duty of collecting the tax revenue that funds essential government services and programs.

The goal of the out-of-state lien enforcement program is to collect delinquent taxes from taxpayers who are located out of state and have no assets within Pennsylvania. Since its launch roughly a year ago, this program has brought in more than $6 million in revenue.

"This is a unique approach that is helping us ensure that all taxpayers are operating on a level playing field," Revenue Secretary Dan Hassell said. "One of the goals in our strategic plan is to enhance our tax compliance initiatives, and this program has helped us in our efforts to reach that goal."

To explain the program, it's first important to define what a lien is and how it works. A lien is defined as a charge on real or personal property for the satisfaction of debt or duty. In many cases, the Department of Revenue files a lien with a county Prothonotary Office when an individual or business has unpaid delinquent taxes. The lien ensures that the Commonwealth of Pennsylvania is listed as a priority creditor that must be paid before other financial transactions involving the property can take place (home sales, business transfer, obtaining a loan, etc.).

But what does the department do in cases when a taxpayer who has failed to pay state taxes has no in-state assets? That's where the new out-of-state lien enforcement program can help. For the taxpayers selected for the program, the department still moves forward with filing a lien in one of Pennsylvania's 67 counties to create a public record of the delinquent taxes that are owed. Meanwhile, a final warning letter is sent to each taxpayer advising the taxpayer that unless the Department of Revenue is contacted within 15 days, the case will be referred to Wong Fleming, the department's outside law firm, for legal enforcement.

Legal enforcement is initiated by exporting and filing the department's liens as a judgment in the taxpayer's home state. Once the judgement has been filed in the taxpayer's home state, the necessary legal steps are implemented to collect the delinquent taxes that are owed. Those steps may include the seizure and selling of property to pay the delinquency.

Pennsylvania's Department of Revenue is one of the first state taxing authorities to successfully implement an out-of-state lien enforcement program that utilizes the judicial process in other states. Staff from the department have presented on this program at recent conferences, including the annual meeting of the Northeastern States Tax Officials Association.

REVENUE'S NEW ONLINE SERVICES PORTAL ADDS NEW FEATURES: MYPATH UPDATE

The Department of Revenue announced that **myPATH** (my Pennsylvania Tax Hub) is now a resource available for county offices with Realty Transfer Tax and Inheritance Tax obligations. Additionally, **myPATH** is now available for Medical Marijuana growers/processors who are responsible for remitting Medical Marijuana Tax.

These tax types were installed into the Pennsylvania Tax Hub (PATH), the new tax system the department launched earlier this year. **myPATH** is the user-friendly, online self-service portal that taxpayers can access over the internet.

"This is another important step that we're taking in the department's modernization project to improve the online services that are available for our customers," Revenue Secretary Dan Hassell said. "We are very pleased with the results of the project so far, and we expect those who use the new system will find it to be a helpful resource that will make their jobs easier."

Below is an overview of the new options available in **myPATH**:

myPATH for Realty Transfer Tax

Recorders of Deeds now have the online capabilities of registering their accounts with the department, changing banking information, changing realty transfer rates and fees, and filing monthly Realty Transfer Tax reports.

Taxpayers with Realty Transfer Tax payment obligations will be able to settle their outstanding balances via ACH debit payments on **myPATH**.

myPATH for Inheritance Tax

Registers of Wills now have the online capabilities of registering their accounts with the department, searching decedent listings, submitting Notices of Decedent Account Status (REV-1549), submitting Notices of Transfer (REV-516), and searching prior submissions.

Taxpayers with Inheritance Tax payment obligations for decedents who were not Pennsylvania residents will be able to settle their outstanding balances via ACH debit payments. Taxpayers with obligations for Pennsylvania resident decedents will still remit payment to their respective county.

Financial Institutions will now use **myPATH** to search county decedent listings. The department's prior Financial Institutions e-services page has been retired.

myPATH for Medical Marijuana Tax

Medical Marijuana Tax growers/processors now have the online capabilities of making payments, filing returns, managing payments and returns, requesting statements of account, and viewing correspondence received from the department.

New System for Voluntary Disclosure Program

This phase of the department's modernization project also provided a new case management system for the department's **Voluntary Disclosure Program**. This program provides an opportunity for businesses and individuals who have recently become aware of their Pennsylvania tax obligations to voluntarily come forward. In return for coming forward voluntarily, filing their tax returns, and clearing their tax debts, taxpayers are only responsible for the payment of tax and interest.

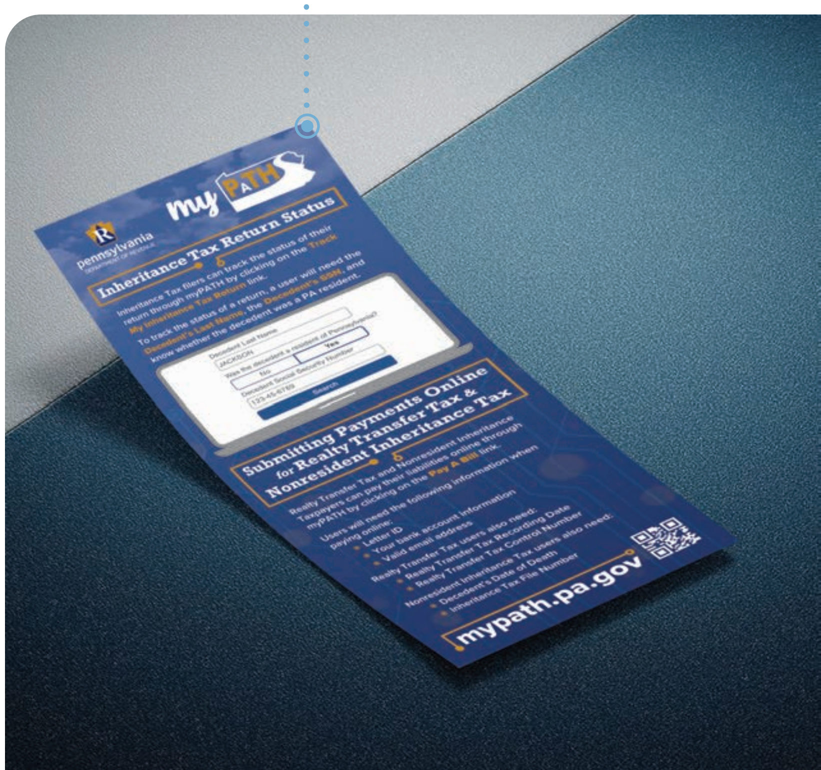
PATH Going Forward

myPATH was also made available earlier this year for taxpayers with obligations to the department's Bureau of Motor and Alternative Fuels Taxes. The taxes that bureau is responsible for were installed in PATH as part of a successful first rollout of the department's modernization project. The second rollout encompassed the taxes noted above.

The department is now focusing on a third rollout that will move Personal Income Tax, the Property Tax/Rent Rebate Program, and Pass-through Entity processing into PATH. As part of this effort, Pennsylvania taxpayers will have a new electronic-filing option available through **myPATH** to file their Personal Income Tax returns. Applicants of the Property Tax/Rent Rebate Program will also have a new electronic-filing option through **myPATH**, which is expected to greatly help applicants and the department in the processing of applications and rebates.

"We are very much looking forward to providing these new tools for our individual taxpayers and the claimants who benefit from the Property Tax/Rent Rebate Program," said Secretary Hassell, noting that these new online options are scheduled to launch in November 2020. "Another important thing to keep in mind is that our modernization project has been on time and on budget so far, and we are working hard to ensure that remains the case."

To date, the department has collected more than $2.4 billion in revenue through **myPATH**. You can find more information about **myPATH** on the department's blog, **PA Tax Talk**.



DEPARTMENT OF REVENUE MEETS 2019 STATE EMPLOYEE COMBINED APPEAL (SECA) GOAL

The Department of Revenue is proud to be a commonwealth agency that annually supports charities and those in need by participating in the **State Employee Combined Appeal** (SECA) campaign. This year, the department raised more than $155,000 through the campaign, soaring past its fundraising goal. Additionally, more than 40 percent of the department's employees participated in this year's campaign.

REMINDER: IMPORTANT CHANGE FOR TAX PREPARERS RECEIVING CLIENT CORRESPONDENCE THROUGH THE MAIL

In an effort to save resources and better utilize existing electronic options, the Department of Revenue is eliminating the option for tax preparers to request their clients' department correspondence be delivered to them through the U.S. mail.

This was previously an option available through many of the department's corporation tax forms. Previously, the mail-to-preparer option appeared on corporation tax forms as either "Mail to Preparer," "Send All Correspondence to the Preparer" or "Check to Send All Correspondence to Preparer." Here are the forms that are affected:

AFFECTED FORMS

- **RCT-101**
- **RCT-101 I**
- **RCT-111**
- **RCT-112**
- **RCT-113A**
- **RCT-121A**
- **RCT-121B**
- **RCT-121C**
- **RCT-122**
- **RCT-123**
- **RCT-124**
- **RCT-125**
- **RCT-126**
- **RCT-128C**
- **RCT-131**
- **RCT-132A**
- **RCT-132B**
- **RCT-143**
- **RCT-127A**

The department is removing this option as it turns to electronic solutions that are more efficient for taxpayers and preparers. The department is encouraging business taxpayers and preparers to **sign up for electronic correspondence**, a feature available in e-TIDES, the department's online business tax system, that allows for the delivery of all department correspondence in electronic form.

This feature streamlines the process for business owners and tax professionals looking to access their correspondence as it becomes available. This electronic delivery also saves money and is environmentally friendly.

If you are a tax preparer who wishes to access your clients' Pennsylvania corporation tax correspondence, the department encourages you to work with your clients to access their e-TIDES accounts. The department **established guidance** to help tax preparers understand how to sign up for electronic correspondence.

DEPARTMENT OF REVENUE OUTREACH & EVENTS

DEPARTMENT OF REVENUE RECOGNIZES AND HONORS 73 MILITARY VETERANS

In observance of Veterans Day, 73 military veterans of the Department of Revenue were recognized during a pinning ceremony at the department's headquarters and field offices. The department and other state agencies recognized commonwealth employees who are current or former members of the armed forces with a pin as part of Governor Tom Wolf's State Employee Military Service Recognition Campaign. The ceremony included a keynote speech by Brigadier General Michael J. Regan, Jr., Assistant Adjutant General – Air for the Commonwealth of Pennsylvania and the Commander of the Pennsylvania Air National Guard.

GOVERNMENT INNOVATION AWARD PRESENTED TO INTELLIGENT MAIL BARCODE PROJECT TEAM

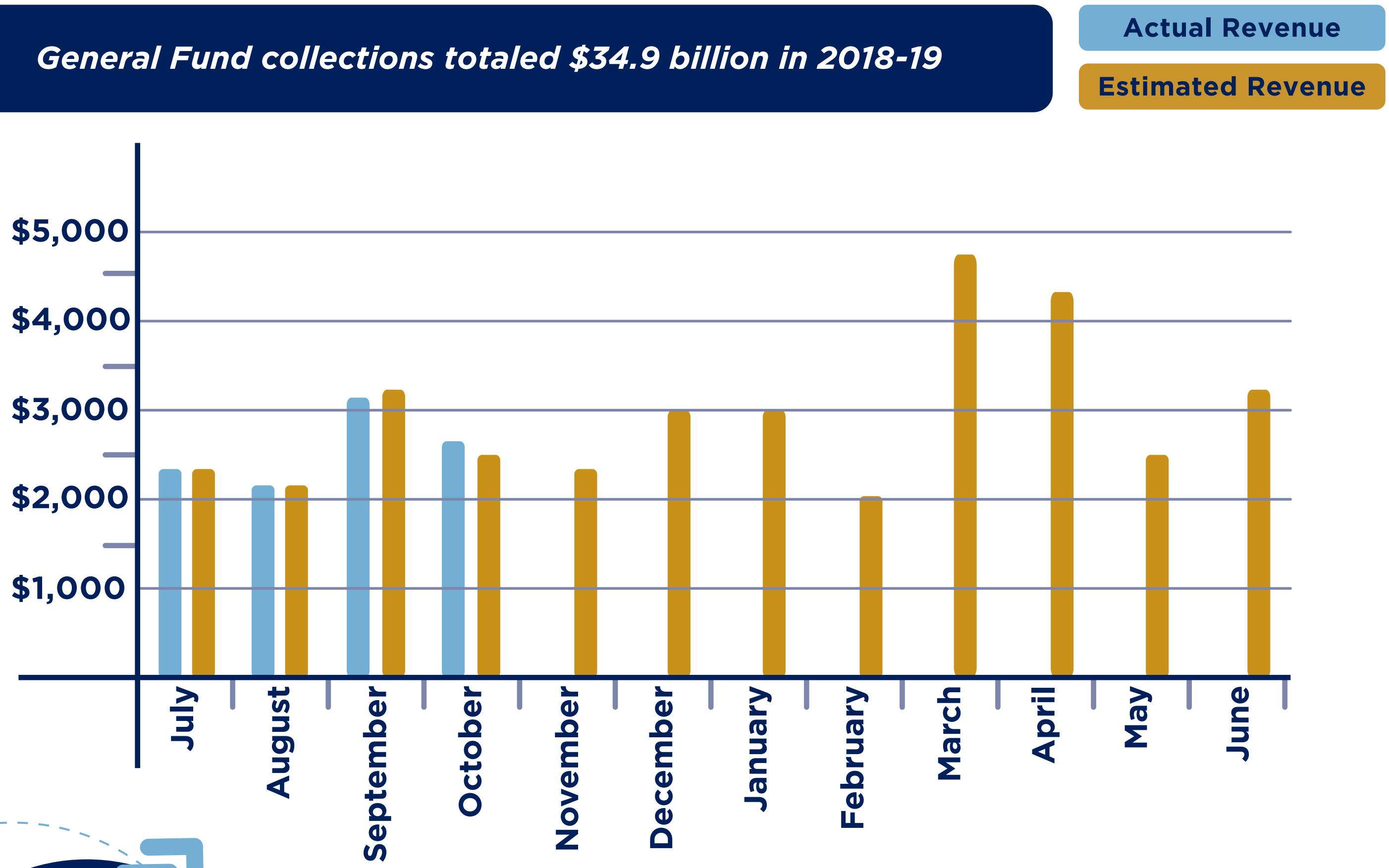
In early November, members of the Department of Revenue's Intelligent Mail Barcode Team and executive staff were presented with a Government Innovation Award. The project team was recognized in the Public Sector Innovations category, which focuses on creating or utilizing new technology to make government function better. The Government Innovation Awards are presented by two technology publications, Federal Computer Week and Government Computer News, in addition to Washington Technology and Defense Systems.

Learn more about the IMB project and the award by visiting **PA Tax Talk**.

2019-2020 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

General Fund collections totaled $34.9 billion in 2018-19



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		2,355
December		2,999
January		2,987
February		2,077
March		4,730
April		4,339
May		2,545
June		3,252