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

DEPARTMENT OF REVENUE PREPARES TO TRANSITION BUSINESS TAXPAYERS FROM E-TIDES TO myPATH

The Department of Revenue is hard at work on the fifth and final major phase of its modernization project. This phase involves the transition of all business taxes — including employer withholding tax, sales tax and corporation taxes — into the Pennsylvania Tax Hub (PATH) system. That means all business taxpayers will be required to register their accounts in **myPATH**, available at **mypath.pa.gov**, later this year.

This transition, which is expected to start in late November 2022, will also coincide with the retirement of e-TIDES, the current online filing system for business taxpayers. Customers currently using the services offered through e-TIDES, such as filing returns and making payments, will instead use myPATH to complete these tasks and manage their accounts.

To ensure taxpayer information remains secure and that only those authorized to access this data can do so on myPATH, the Department of Revenue will not be converting existing e-TIDES user identifications and passwords (e-Signature account credentials) to myPATH. That's why it's important for taxpayers and tax professionals to take the appropriate steps to migrate their accounts to the new system.

Additionally, once this phase concludes, new myPATH profiles will no longer be required to obtain an access letter to establish access to their tax account(s). The IRS only requires an access letter when the account for which the customer is seeking access contains federal tax information (FTI).

Here are some important questions and answers regarding the transition from e-TIDES to myPATH:

How will Business Owners gain access to their tax account once this transition occurs?

- Business owners will create a myPATH login by selecting the Sign Up link on myPATH. It is recommended that all customers wait until late November 2022 — the point when the department expects to complete the fifth phase of its modernization project — to start the Sign Up process.
- After selecting the Sign Up link, business owners will be prompted to establish their myPATH profile, including their myPATH username and password.
- Customers will then be prompted to provide their ID number (FEIN, SSN, PATH ID, or Revenue ID), the tax type they wish to access, and an additional piece of information specific to their tax account in order to gain access to the tax account. If required information to gain access cannot successfully be provided, there will be an option to request an access letter in the mail. The logon would then be created but the user would not be able to access their business' accounts until the letter is verified.

How will third parties gain access to their clients' accounts on myPATH?

- Third parties will create a myPATH login by selecting the Sign Up link on myPATH. It is recommended that all customers wait until late November 2022 — the point when the department expects to complete the fifth phase of its modernization project — to start the Sign Up process.
- After creating a myPATH profile, upon logging in, customers will be presented with a link that enables them to migrate their e-TIDES accesses to myPATH. This option will be available for all third-party logons, including existing third-party profiles, once the fifth phase of the modernization project is complete.
- The customer will then enter the existing e-TIDES user ID and password (e-Signature account credentials) to gain access.

How will third parties gain access to a taxpayer's account(s) if the taxpayer is not registered on myPATH?

- myPATH will no longer require customers to create a myPATH profile solely for the purpose of granting third party access to their tax account(s).
- Customers logging in to myPATH as a third-party tax professional to request access to a customer who has not created a myPATH profile will be able to obtain access to that customer once the appropriate validations are successfully verified. Validation examples include, but are not limited to:
  - PATH Letter ID
  - Recent Payment Amount
  - Recent Return Line Item

e-TIDES Functionality Post Transition

The Department of Revenue will keep select e-TIDES functionality available in parallel with the migration to myPATH for approximately 90 days after the completion of this phase of the project. Customers are encouraged to establish their myPATH profile as soon as possible during this transition period to become familiar with the services available in myPATH. The extended availability of certain e-TIDES services is intended to be a contingency for customers, enabling a smoother transition to myPATH.

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DEPARTMENT OF REVENUE PREPARES TO TRANSITION BUSINESS TAXPAYERS FROM E-TIDES TO myPATH

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The following functionality will remain available concurrently on e-TIDES as well as myPATH for approximately 90 days:

- Sales Tax and W-3 Employer returns
- Sales Tax and W-3/501 Employer payments
- Corporation Tax payments, including estimated, extension requests, and delinquency payments

All other existing e-TIDES services not identified in the previous section will no longer be supported on e-TIDES after November 2022. These services will be available via myPATH. These services include, but are not limited to:

- New e-TIDES registrations and changes to existing e-TIDES access
- Cigarette license renewals
- Account updates and maintenance
- Notice payments
- FSET web service for filing of W-3s and 501s
- RCT-101D

Multi-factor Authentication

Unlike e-TIDES, myPATH users will be required to set up multi-factor authentication (MFA). This means user profiles will be protected by a unique security code which will need to be entered any time they are using a new browser or device.

Anyone with questions about the transition from e-TIDES to myPATH is encouraged to email **myPATH@pa.gov**.

FILE PA PERSONAL INCOME TAX RETURNS WITH myPATH

With the personal income tax filing deadline approaching on April 18, 2022, the Department of Revenue is encouraging taxpayers to use **myPATH** to file their 2021 Pennsylvania Personal Income Tax Returns. myPATH, available at **mypath.pa.gov**, is a free, state-only filing system that offers many benefits, including:

- Fast and free return/refund processing
- The **"Where's My Income Tax 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

No User ID/Password Necessary to file PA-40 on 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) or 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.

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. A detailed list of instructions is available in the **myPATH User Guide**.

New Spanish Feature in 2022

This tax season, myPATH has a new option for Spanish-speaking Pennsylvania taxpayers to file the PA Personal Income Tax Return (PA-40). To access the Spanish language version of the PA-40, visit **mypath.pa.gov** and select the "Presentar una declaracion deimpuestos sobre la renta personal de PA para 2021" option under the "Individuals" section.

April 18 Deadline

All taxpayers who received more than $33 in total gross taxable income in calendar year 2021 must file a Pennsylvania personal income tax return by midnight, Monday, April 18, 2022. The deadline is extended this year due to Emancipation Day, a holiday in Washington, D.C., observed on Friday, April 15, which pushes the federal and state filing deadlines to April 18.

REVENUE DEPARTMENT EXTENDS CALL CENTER HOURS TO ASSIST LATE-SEASON TAX FILERS

With the deadline to file 2021 Pennsylvania personal income tax returns coming up later this month, the Department of Revenue is extending its customer service hours for taxpayers to get help by phone. This will help taxpayers get the assistance they need prior to the April 18, 2022 deadline to file 2021 personal income tax returns, Revenue Secretary Dan Hassell announced.

"Pennsylvanians who are sitting down to file their tax returns may have questions or concerns, so we are encouraging our customers to reach out directly to one of our personal income tax experts for assistance," Hassell said. "We also have a number of other customer resource options on our website, **www.revenue.pa.gov**, that can help our taxpayers answer their questions and get their returns filed on time."

Taxpayer Service and Assistance

Through April 18, 2022, personal income tax assistance will be available between 8 a.m. and 7 p.m., Monday through Friday, by calling 717-787-8201. This number will connect customers with the Department of Revenue's Customer Experience Center.

Personal income tax assistance is also available through the department's **Online Customer Service Center**. 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.

The Department of Revenue's **district offices** are also open to provide customer service. Taxpayers are encouraged to call ahead to schedule an appointment and bring their Social Security cards and a photo ID with them to facilitate tax filing assistance. District offices are open 8:30 a.m. to 5 p.m., Monday through Friday.

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.

Use myPATH to file your state tax return

The Department of Revenue is encouraging taxpayers to electronically file their Pennsylvania personal income tax returns with the department's state-only filing system available at **mypath.pa.gov**. myPATH is a free, user-friendly option that allows most taxpayers to seamlessly file the Pennsylvania Income Tax Return (PA-40) and make income tax payments, as well as offering other services.

As a reminder, all taxpayers who received more than $33 in total gross taxable income in calendar year 2021 must file a Pennsylvania personal income tax return by midnight, Monday, April 18, 2022. The deadline is extended this year due to Emancipation Day, a holiday in Washington, D.C., observed on Friday, April 15, which pushes the federal and state filing deadlines to April 18.

Note: Taxpayers do not need to create a username or password to perform many functions in myPATH. That includes filing a PA-40 or making a payment, responding to department requests for information, and checking the status of a refund.

A NEW PATH TO HEALTH INSURANCE STARTS ON YOUR PA TAXES

Path to Pennie is a new program created to connect uninsured Pennsylvanians with health coverage offered through **Pennie™**, Pennsylvania's official health and dental insurance marketplace and the only source for financial assistance to reduce the cost of coverage and care.

Pennie and the Department of Revenue have teamed up to allow uninsured tax filers to indicate they would like to receive more information about coverage available through Pennie. Here's how it works: While filing their PA state income tax return, Pennsylvanians can simply fill out a new tax form, **REV-1882 'Health Insurance Coverage Information Request,'** when they complete their Pennsylvania state income tax return.

Once the Department of Revenue securely shares that information with Pennie, the tax filer will receive a postal notice with 1) an access code for their newly created Pennie account; 2) an estimate of how much financial assistance they appear eligible to receive to decrease their monthly premium; and 3) a 60-day window in which they can apply and 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.

LOW-INCOME PENNSYLVANIANS MAY BE MISSING OUT ON PA TAX REFUNDS OF $100 OR MORE

There are more than 118,000 low-income Pennsylvanians who may be missing out on state tax refunds of $100 or more, the Department of Revenue announced in February. These refunds totaling an estimated $30.2 million are available through the commonwealth's **Tax Forgiveness program**.

The Department of Revenue has been mailing letters to Pennsylvanians who may qualify for this relief to encourage them to take action to claim their refunds. Often the people who have missed out on claiming these refunds simply need to file a Pennsylvania Personal Income Tax Return (PA-40) and the appropriate schedule to secure the money they are owed.

"We want the public to know that there are refunds waiting for thousands of Pennsylvanians, including many low-income families and retirees who could greatly benefit from this money," Revenue Secretary Dan Hassell said. "If you have a neighbor, friend or family member whom you think may be eligible, please encourage them to check their eligibility and file a tax return with our department."

How to File a PA-40 and Claim Tax Forgiveness
One easy way to file your Pennsylvania Personal Income Tax Return (PA-40) and the required additional form, Schedule SP, is by using **myPATH**, the Department of Revenue's free, online tax filing system.

Visit **mypath.pa.gov** and look at the links under the "Individuals" section on the homepage. You can click on either "File a Personal Income Tax Return for 2021," "File a PA Personal Income Tax Return for 2020," or "File a PA Personal Income Tax Return for 2019." This will allow the taxpayer to file a return for the appropriate year and claim a refund through Tax Forgiveness. There is also an option to file the 2021 Personal Income Tax Return in Spanish by clicking on the "Presentar una declaracion deimpuestos sobre la renta personal de PA para 2021" option under the "Individuals" section.

Taxpayers do not need to create a username or password to file the PA-40 and Schedule SP. Prior to filing your return, you will need your wage and tax information. The system will walk you through a series of steps to file your return and determine your eligibility for Tax Forgiveness.

Other free electronic filing options are available to file state and federal returns using software from a reputable vendor. More **vendor information** is available on the Department of Revenue's website.

Background on Tax Forgiveness
Through Tax Forgiveness, eligible working families who paid income tax throughout the year may be refunded some or all of that tax paid. Retired persons and low-income individuals who did not have PA income tax withheld from earnings may have PA income tax liabilities forgiven.

About one in five households qualify for Tax Forgiveness and it is a benefit commonly received by retirees and low-income workers. A family of four (couple with two children) can earn up to $34,250 and qualify for Tax Forgiveness. Meanwhile, a single-parent, two-child family with income of up to $27,750 can also qualify for Tax Forgiveness. Visit the **Tax Forgiveness page** on the Department of Revenue's website for further eligibility information, including eligibility income tables.

Keep in mind that people who are claimed as a dependent of another taxpayer are not eligible to receive Tax Forgiveness. There are additional instructions available in the **Tax Forgiveness section** of the Department of Revenue's PA Personal Income Tax Guide.

This program was authorized in the 1970s through legislation enacted by Pennsylvania's General Assembly. In recent years, the Tax Forgiveness program has annually delivered refunds totaling more than $240 million to more than 1 million Pennsylvanians. However, many more people could be taking advantage of this benefit.

For more information on the Tax Forgiveness program, visit **revenue.pa.gov/taxforgiveness**. For other free tax forms and instructions, please visit **www.revenue.pa.gov**.

HOW TO APPLY

Eligible taxpayers who earn a wage must complete an additional form, the Schedule SP, when filing the Pennsylvania personal income tax return (PA-40).

For more information on eligibility requirements and how to apply for PA Tax Forgiveness, visit www.revenue.pa.gov/taxforgiveness.

JANE MCCURDY NAMED PERMANENT DIRECTOR FOR BUREAU OF DESK REVIEW AND ANALYSIS

Revenue Secretary Dan Hassell recently announced that Jane McCurdy has been named the permanent Director of the Bureau of Desk Review and Analysis. Jane has been serving in this position in an acting capacity since the bureau was launched in early 2020 as part of the department's reorganization.

Jane is a Certified Public Accountant (CPA) and has a wealth of experience in tax administration. Since joining the agency in 2010, she has been closely involved in the enforcement of Pennsylvania tax laws for pass through entities, their owners, individuals and beneficiaries. She also has played an integral role in identifying non-filers, under-reporters and abusive tax avoidance transactions. These were specific areas of focus for Jane as she worked as a Revenue Fiscal Analyst Supervisor in the former Pass-Through Business Office prior to moving into her current position.

Prior to joining the department, Jane had over 12 years of public accounting experience, having worked at a local public accounting firm. There she was responsible for managing the compliance for pass through entities, individuals and nonprofits, as well as preparing and teaching educational sessions for staff and clients. Jane has taken on a similar teaching role for the department, having served as a frequent speaker at the department's annual tax seminars and events with outside organizations, such as the Pennsylvania Institute of Certified Public Accountants (PICPA).

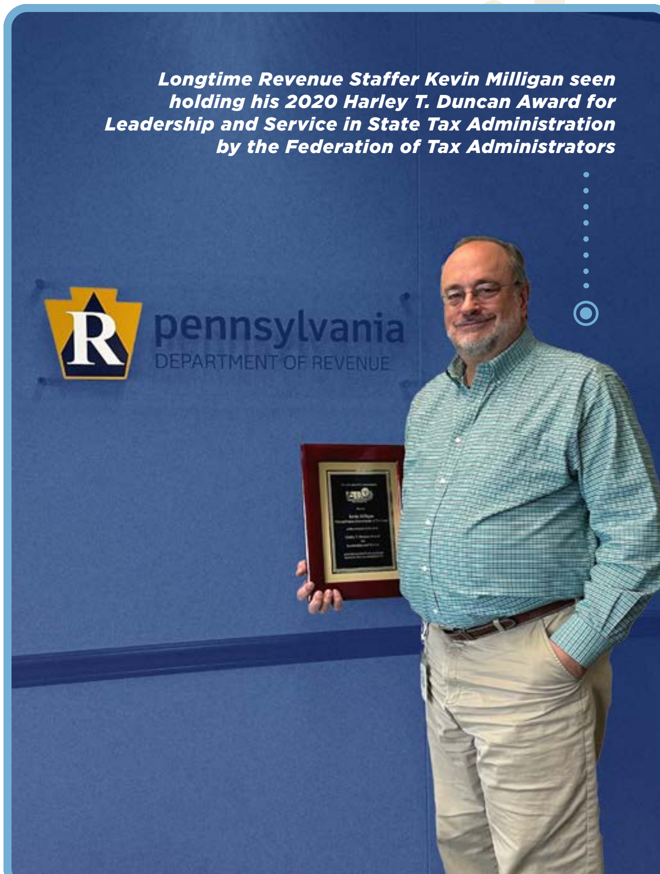
In serving as BDRA's Director, Jane leads a bureau that uses technology and data analytics to review various types of taxpayers and returns, including corporation and specialty, pass through, individual, estate/trust, and sales and use taxes. BDRA also works to continually improve taxpayer confidence by improving processes and efficiencies through strategic planning, coordinated project management and decision analysis.

Jane McCurdy, Director of the Bureau of Desk Review and Analysis

REVENUE STAFFER KEVIN MILLIGAN ACCEPTS FTA'S HARLEY T. DUNCAN AWARD FOR LEADERSHIP AND SERVICE IN STATE TAX ADMINISTRATION

Kevin Milligan, one of the department's longest-tenured employees, was recently presented with a plaque for being named a co-recipient of the 2020 Harley T. Duncan Award for Leadership and Service in State Tax Administration by the Federation of Tax Administrators. This prestigious FTA award is presented to individuals who have demonstrated sustained and significant service in the practice and administration of state taxes. It was not possible to present the plaque at the time it was awarded due to the ongoing COVID-19 pandemic.

According to the FTA, candidates for the Harley T. Duncan Award for Leadership and Service in State Tax Administration are judged on factors including, but not limited to, increasing responsibility, influence outside the agency, influence on other states, work with FTA and breadth of experience in tax administration.



Longtime Revenue Staffer Kevin Milligan seen holding his 2020 Harley T. Duncan Award for Leadership and Service in State Tax Administration by the Federation of Tax Administrators

GOVERNOR WOLF AND REVENUE SECRETARY: STRONG STATE FINANCES PAVE WAY FOR LIFE-CHANGING INVESTMENTS IN PENNSYLVANIANS

Governor Tom Wolf was recently joined by Secretary of Revenue Dan Hassell and other elected officials in Phoenixville, Chester County, to discuss the commonwealth's strong financial position as work continues on crafting a budget for the next fiscal year. The governor is calling for major investments to give Pennsylvania families, workers and businesses a brighter future.

"The Commonwealth of Pennsylvania is in a strong financial position right now. That's why it's so important for us to use this opportunity to help Pennsylvanians," said Gov. Wolf. "People across the commonwealth are still recovering from the upheaval of the COVID-19 pandemic. Inflation is high, and everything from groceries to gas is a little more expensive than it used to be."

"More than ever before, this is the time to invest in helping our people get back on their feet. That's why I'm calling for action, and for major investments to make life a little bit easier for all Pennsylvanians."

Over the past seven years, the Wolf Administration has righted Pennsylvania's shaky finances through sound fiscal management and smart investments.

"Our commonwealth is in a much stronger fiscal position today than we were in two years ago when the pandemic dropped a hammer on Pennsylvania's economy," Secretary Hassell said. "Revenue collections are strong thanks in part to Gov. Wolf's strong management and the stimulus funds that have flowed into Pennsylvania from the federal government. Economists expect our economic recovery to continue, which makes this the time to make the historic investments that the governor is calling for in his budget proposal."

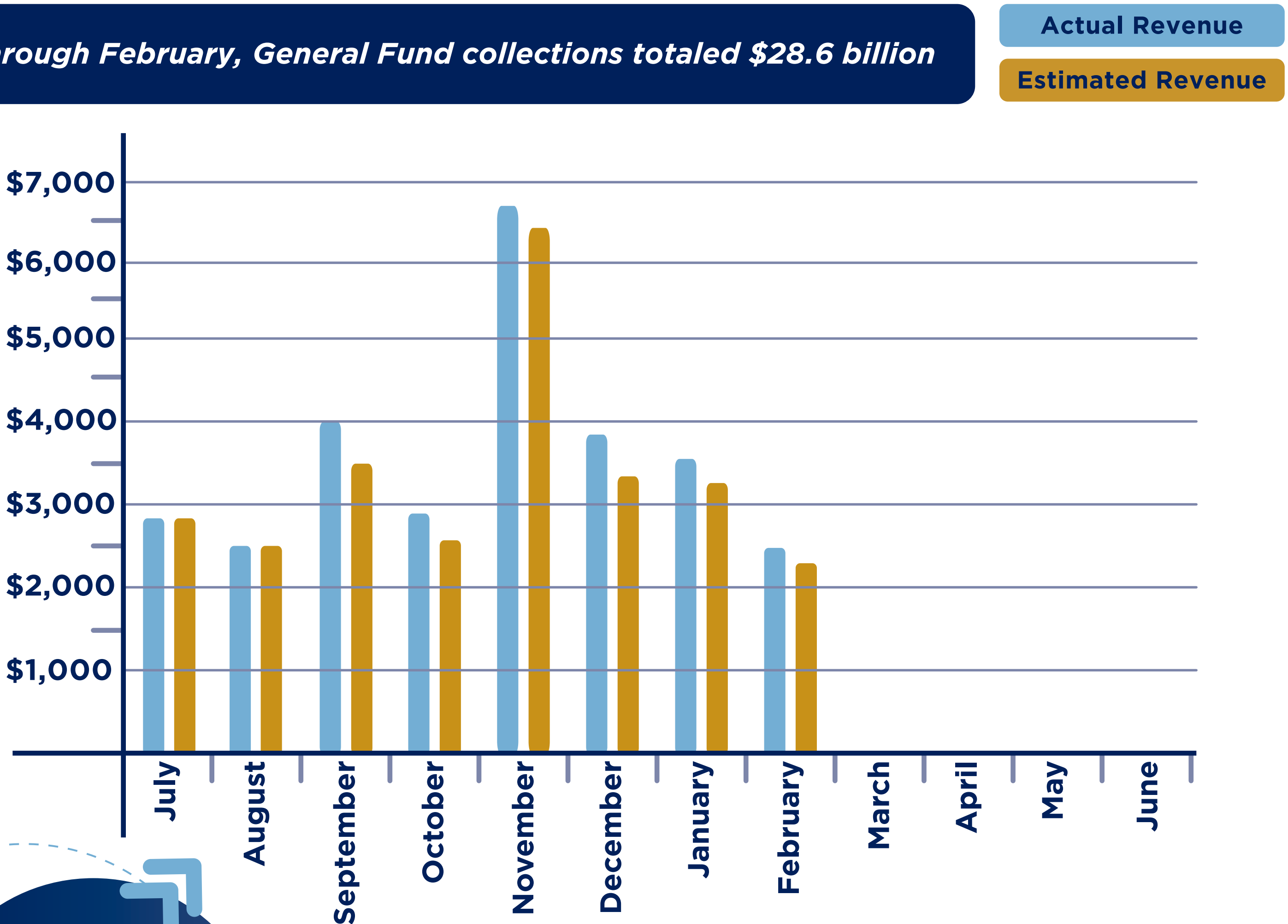
Department of Revenue Secretary Dan Hassell speaks with the press to highlight the Commonwealth of Pennsylvania's strong finances and call for major investments to give Pennsylvania families, workers and businesses a brighter future.

"MORE than ever before, this is the time to invest in helping our people get BACK ON THEIR FEET." - Governor Tom Wolf

2021-2022 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

Through February, General Fund collections totaled $28.6 billion



GRAPH

ACTUAL FIGURES *(in millions)*

Month	Actual Revenues	Estimated Revenues
July	2,700	2,703
August	2,574	2,439
September	4,003	3,507
October	2,814	2,654
November	6,621	6,404
December	3,846	3,382
January	3,589	3,213
February	2,434	2,279
March		
April		
May		
June		