



**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**  
Josh Shapiro

**Secretary of Revenue**  
Pat Browne

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

**- Revenue Secretary Pat Browne**

## PAT BROWNE TAKES OFFICE AS SECRETARY OF REVENUE

“

I have been **deeply impressed** by the many **dedicated professionals** in our agency...



**After being nominated by Governor Josh Shapiro**, Pat Browne officially became the Secretary of Revenue in accordance with the Pennsylvania Constitution. As Secretary of Revenue, Browne will lead an agency with a mission of administering Pennsylvania tax and Lottery programs fairly, efficiently, and accurately.

“I’m extremely grateful to have been nominated by Governor Shapiro to lead the Department of Revenue,” said Secretary Browne. “In my short time leading the Department, I have been deeply impressed by the many dedicated professionals in our agency who work every day to ensure that we do our part to fund essential programs and services for all Pennsylvanians. We strive to administer the Commonwealth’s tax laws and revenue programs as fairly and efficiently as possible. We recognize the importance of this work and the key role that we play in the Governor’s vision of offering freedom and opportunity for the people of Pennsylvania.”

Secretary Browne has a long career in public service. Prior to his nomination by Governor Shapiro, he served for 28 years in the General Assembly, representing Lehigh and Northampton counties. He first represented the 131st District as a member of the state House of Representatives. He was later elected to serve the 16th District in the state Senate.

During his legislative career, Browne was the author of dozens of bills, including those focused on job creation, education, pension reform, and improvements to state government. During his service in the Senate, Browne was elected to serve as Chairman of the Senate Appropriations Committee, which led him to play a leading role in shaping fiscal policy and the Commonwealth budget.

Secretary Browne also has professional experience as an attorney and Certified Public Accountant (CPA), making him uniquely positioned to lead the Department of Revenue. Since taking office in January, following his nomination by Governor Shapiro, Secretary Browne has:

- **Advocated for Governor Shapiro’s proposed budget**, which includes a major expansion of the **Property Tax/Rent Rebate program** that benefits older residents and Pennsylvanians with disabilities.

- o Under the Governor’s proposal, the maximum standard rebate will increase from \$650 to \$1,000, the income cap for renters and homeowners will both increase to \$45,000 a year, and these caps will be tied to the cost of living moving forward. Under the Governor’s plan, nearly 175,000 more Pennsylvanians will qualify for the program and many of the 430,000 people who already qualify will see their rebates increase. The Department of Revenue, which administers the program, is prepared to deliver this additional relief to people in need.

- **Announced the extension** of the filing deadline for rebates on rent and property taxes paid in 2022 to ensure more eligible applicants can take advantage of the program.
- Oversaw a successful tax filing season, which involves the processing of more than 6.5 million personal income tax returns. This year’s tax season was the first time the department has issued relief to working families through the **Child and Dependent Care Enhancement Tax Credit**. The department has issued more than 200,000 credits to working families who filed 2022 income tax returns.
- Issued **a warning on a recurring scam** that involves phony letters sent to taxpayers through the mail.
- Encouraged taxpayers **to visit select senior and community centers during tax season** for help with their PA personal income tax returns and Property Tax/Rent Rebate applications.
- Updated monthly **revenue reports** to provide additional context and expand consumer-focused information. This was done to better explain variances between reporting periods and highlight economic conditions that are responsible for revenue performance. This provides Governor Shapiro’s staff and members of the General Assembly with additional information on the Commonwealth’s fiscal outlook.

You can read more about Secretary Browne by **visiting the Department of Revenue’s website.** 📄

## REVENUE 411 - myPATH VIDEO TUTORIALS

The Department of Revenue's Customer Experience Center has released a series of **Revenue411 informational videos** that provide taxpayers and tax professionals with step-by-step instructions on how to use a variety of features in **myPATH**, the department's online filing system.

To date, the Revenue411 video library offers step-by-step instructions on topics such as:

- **Using a Smart Device to Access myPATH**
- **Signing Up for myPATH from Your Smart Device**
- **How to File Your Sales Tax Return from Your Smart Device**
- **How to Submit a Research and Development Tax Credit Application**
- **Viewing and Printing Letters in myPATH**

Visit [revenue.pa.gov/videos](https://revenue.pa.gov/videos) to watch other videos on a variety of topics. . 📺



## REMINDER: REQUIREMENT FOR MAKING ESTIMATED PAYMENTS FOR CORPORATION TAXES

The Department of Revenue is reminding corporate taxpayers of the requirement to submit estimated tax payments which meet the applicable safe harbor thresholds in order to avoid imposition of interest on the underpayment. Beginning in January 2024, the department will begin issuing assessments to taxpayers for failure to meet this requirement.

This requirement applies to the following corporate tax types:

### Corporate Net Income Tax

Estimated corporate net income tax payments must be made in equal installments on or before the 15th day of the third, sixth, ninth, and 12th months of the taxpayer's tax year. To sustain a safe harbor, the taxpayer's payments must meet the requirements set forth in 72 P.S. § 10003.3.

Estimated tax payments may be submitted using **myPATH**, or using the Estimated Tax Payment coupon (REV-857).

### Mutual Thrift Tax

Estimated mutual thrift tax payments must be made in equal installments on or before the 15th day of the third, sixth, ninth, and 12th months of the taxpayer's tax year. To sustain a safe harbor, the taxpayer's payments must meet the requirements set forth in 72 P.S. § 10003.3.

### Gross Receipts and Gross Premiums taxes

Taxpayers are required to make an annual estimated prepayment on or before March 15 of the current year. The payment is due the next business day if the due date falls on a weekend or legal holiday.

The Gross Receipts Tax prepayment must be equal to 90% of the current tax year liability. However, taxpayers are eligible to use the "safe harbor" option in the event they cannot accurately estimate their current year liability. The prepayment requirement will be satisfied if the taxpayer prepays an amount equal to 100% of their "safe harbor" tax year liability. The "safe harbor" tax year is the second preceding year to the current tax year. For example, the "safe harbor" year for purposes of making the 2024 estimated prepayment is tax year 2022.

The single estimated tax payment requirement applies to the following corporate tax types:

- Gross Receipts Telecommunications
- Gross Receipts Hydro Electric
- Gross Receipts Transportation Company
- Gross Premiums Domestic Casualty
- Gross Premiums Domestic Fire
- Gross Premiums Domestic Life
- Gross Premiums Foreign Casualty
- Gross Premiums Foreign Fire
- Gross Premiums Foreign Life
- Gross Premiums Foreign Title

Estimated tax payments may be submitted using **myPATH** or using the Estimated Tax Payment coupon (REV-426).

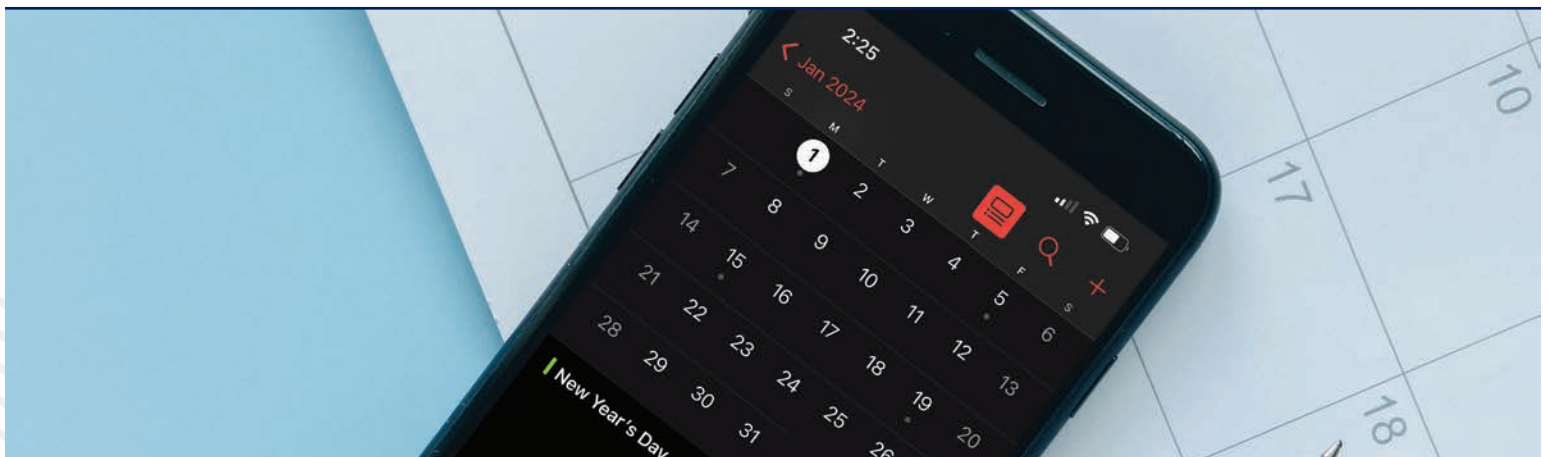
### Payments

Estimated tax payments over \$1,000 must be submitted electronically. Accepted forms of payment to satisfy the electronic payment requirement include:

- ACH Debit
- ACH Credit
- Credit/Debit Card
- Certified/Cashier's Check

If paying by certified/cashier's check, or if the payment is less than \$1,000, the taxpayer should also use the Estimated Tax Payment coupon (REV-857) if submitting Corporate Net Income Tax or the Specialty Tax Estimated Coupon (REV-426), for other taxes.

For all of the above taxes, tax remaining due at the close of the taxable year must be paid on the original due date of the return. Any tax due that was not paid by the original due date of the return would be subject to additional penalties and interest. ▼



## VOLUNTARY DISCLOSURE PROGRAM UPDATE: LOOKBACK PERIOD FOR CORPORATION TAXES IS NOW 3 YEARS

The Department of Revenue's Voluntary Disclosure Program has changed its eligibility requirements for taxpayers with liabilities from corporation taxes. The lookback period for corporation taxes will now be three years plus the current year. Under the prior eligibility requirements, the lookback period was five years plus the current year. This change will apply to Voluntary Disclosure Agreements entered into August 1, 2023 or later.

### What is the Voluntary Disclosure Program?

The Voluntary Disclosure 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. Penalties for all taxes administered by the Department of Revenue will be waived when the requirements of the Voluntary Disclosure Agreement (VDA) have been completed.

Visit the [Voluntary Disclosure Program page](#) on the Department of Revenue's website for further information, including instructions on how to participate and frequently asked questions.

### Defining the Term "Plus Current Year"

All potential taxpayers with a corporate tax filing obligation who approach Pennsylvania regarding a Voluntary Disclosure Agreement will owe corporate returns for the current tax year due and the three immediate preceding years.

**Example:** The calendar tax year is 2023. The current tax year due is 2022. Tax years 2019, 2020, 2021, and 2022 would be the years included in the VDA. The agreement would begin with 2019. If 2022 is on extension, the taxpayer would need to send returns for 2019, 2020, and 2021 along with any estimated or extension payments for 2022 under the VDA. If the original or extended due date for 2022 has passed, the taxpayer would be required to send the return for tax year 2022 as well.

### Success of Voluntary Disclosure Program

The Department of Revenue's Voluntary Disclosure Program ended the 2022-2023 Fiscal Year with a record of \$86.4 million in total collections – an increase of more than 11 percent from the prior fiscal year. This work helps bring in tax revenue that funds essential programs and services for Pennsylvanians while also helping eligible businesses and individuals come into compliance. 🏆



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## REMINDER: ONLINE APPLICATION FOR RESEARCH AND DEVELOPMENT TAX CREDIT MOVING TO myPATH

The online application for the Research and Development (R&D) Tax Credit has moved to **myPATH**, the Department of Revenue's new online filing system. This means that those applying for the R&D Tax Credit will need to use **myPATH** to file their applications prior to the filing deadline of December 1, 2023. After the December 1 deadline, applicants will no longer be able to file or make changes to their applications.

The current online application on e-TIDES for the R&D Tax Credit will remain accessible through February 2024 in a read-only format to allow taxpayers to reference information from prior years. It is important to note that this information from prior years will not be available through **myPATH**.

The Department of Revenue is working to directly contact R&D Tax Credit applicants from prior years to inform them of the change to the online filing process.

### About the R&D Tax Credit

The R&D Tax Credit is available to businesses and individuals performing qualified research in Pennsylvania, to encourage businesses in the commonwealth to conduct research. For more information and resources on the program, visit [revenue.pa.gov/taxcredits](https://revenue.pa.gov/taxcredits).

Tax questions on credits may be directed to the Department of Revenue at 717-772-3896 or [ra-rvtaxcredits@pa.gov](mailto:ra-rvtaxcredits@pa.gov). 📧

## R&D TAX CREDIT



## GOVERNOR JOSH SHAPIRO VISITS DEPARTMENT OF REVENUE HEADQUARTERS



photo credit: Commonwealth Media Services

**Governor Josh Shapiro** recently took some time to visit the Department of Revenue's headquarters at Strawberry Square. The Governor met briefly with the Revenue executive team and also took the time to meet with some of the other employees working in the building.

The Governor thanked Secretary of Revenue Pat Browne and his staff for their continued work that funds essential programs and services for all Pennsylvanians. He also made a point to compliment the Revenue team for its successful tax system modernization project, which has become a success story for the administration. The Governor has encouraged executives from other agencies under his jurisdiction to meet with Revenue's leaders so that they can share lessons learned and the steps the agency followed to ensure the project remained on time and budget.

During his first few months in office, Governor Shapiro has been visiting with employees from each commonwealth agency to hear their concerns and show his appreciation for their work. 📌



photo credit: Commonwealth Media Services

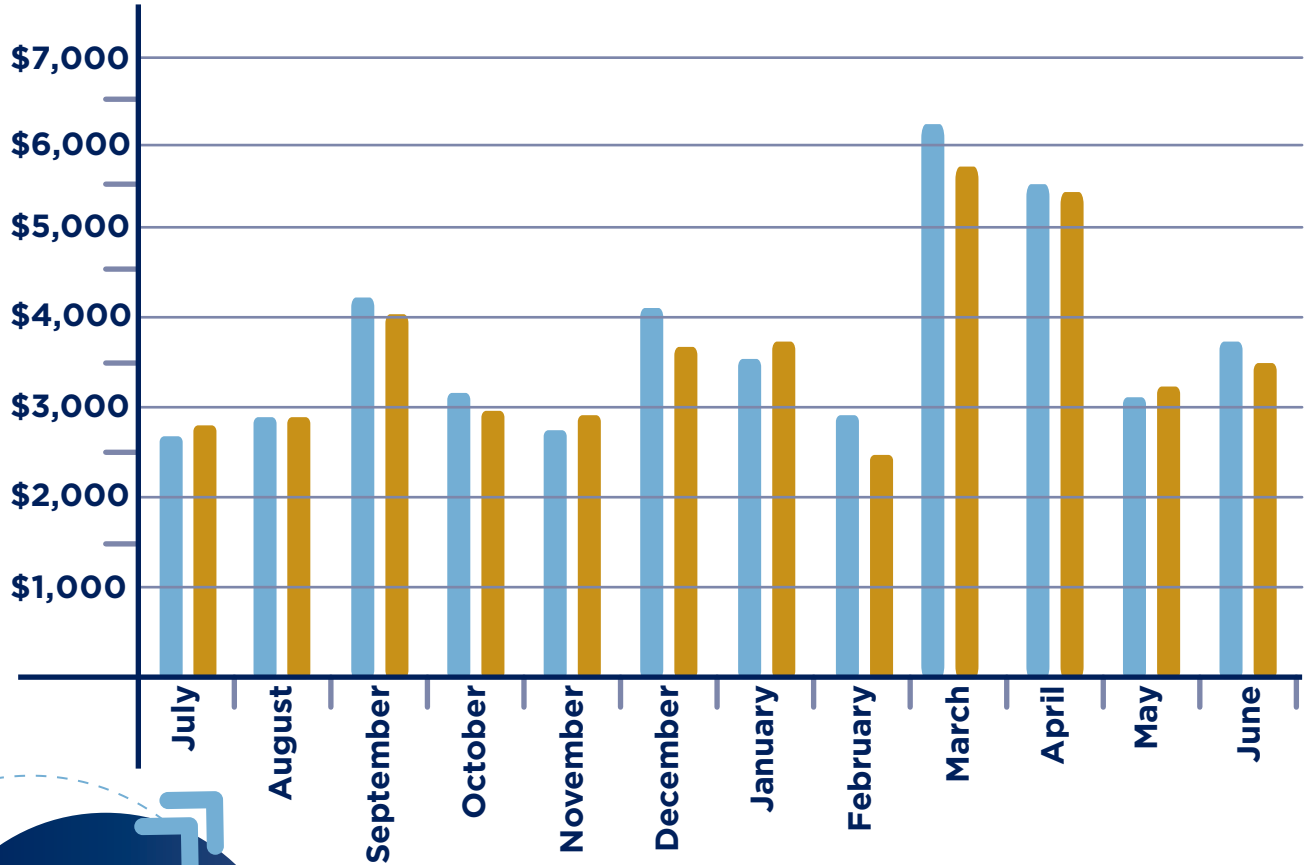
## 2022-2023 General Fund Revenues

*Estimated vs. Actual Revenue Collections (in millions)*

**General Fund collections totaled \$44.9 billion in 2022-23, exceeding estimate by \$1.3 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	3,566	3,771
February	2,828	2,476
March	6,190	5,691
April	5,656	5,605
May	3,292	3,338
June	3,686	3,502