



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

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Tax Update is a bi-monthly e-newsletter published by
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Governor
Josh Shapiro

Secretary of Revenue
Pat Browne

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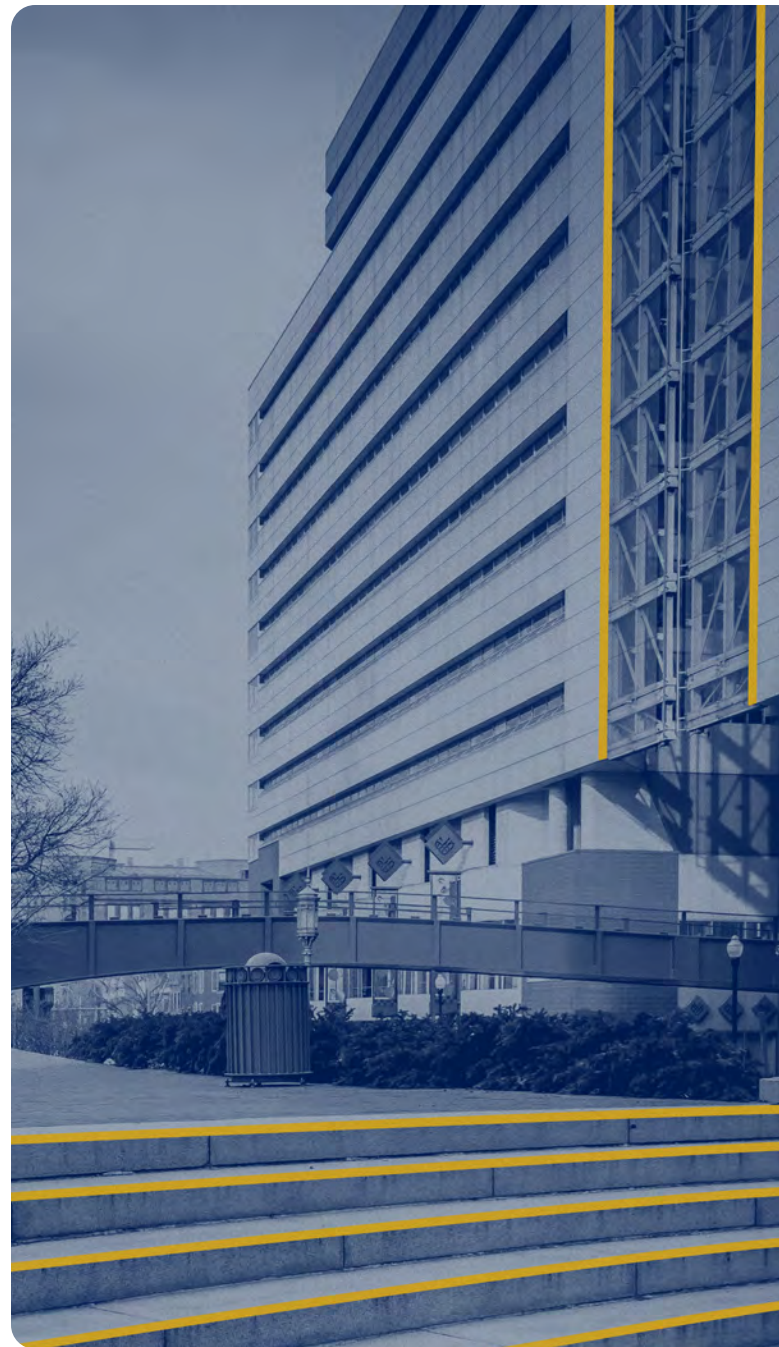
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The No. 1 goal in the department's strategic plan is to continually improve customer service.

- Revenue Secretary Pat Browne

EXPANDED PROPERTY TAX/RENT REBATE PROGRAM NOW OPEN FOR ELIGIBLE OLDER PENNSYLVANIANS, PEOPLE WITH DISABILITIES TO APPLY



Gov. Shapiro (left) and Sec. Browne (right) announced the opening of the PTRR filing season to a room full of older Pennsylvanians who will benefit from the expansion.

Governor Shapiro's expansion of the Property Tax/Rent Rebate program delivered the largest targeted tax cut for seniors in nearly two decades, expanding access to nearly 175,000 more Pennsylvanians and increasing the maximum rebate from \$650 to \$1000.

Governor Josh Shapiro and Secretary of Revenue Pat Browne traveled in mid-January to the Litzenberger House, a senior apartment complex in Bethlehem, Northampton County, to announce that hundreds of thousands of older adults and Pennsylvanians with disabilities are **now eligible** to apply for a rebate through the **Property Tax/Rent Rebate (PTRR) program**. The Governor and **Secretary Browne were joined at the event by U.S. Congresswoman Susan Wild, state Rep. Steve Samuelson, state Sen. Lisa Boscola,** and other state and local officials.



Gov. Shapiro greets seniors at a PTRR event held at the Litzenberger House in Bethlehem, PA.

The maximum standard rebate has increased to \$1,000 (up from \$650) thanks to bipartisan legislation **Governor Shapiro** championed and signed into law last year, delivering on his promise to cut costs and deliver real relief for Pennsylvania seniors. The program's income limits have also been increased to \$45,000 and made equal for both homeowners and renters — the first time since 2006 that the income limits have been raised.

"I've traveled all across the Commonwealth, and I've heard firsthand from seniors who told me we need to do more to help them keep up with rising prices," said **Governor Shapiro**. "Whether it's in the Lehigh Valley or out in Erie, rising costs are affecting Pennsylvanians in every corner of our state – and I promised that my Administration would lead the way to cut costs and put money back in your pockets. The Property Tax/Rent Rebate program has long been a lifeline for our seniors – especially those on a fixed income – and that's why my Administration brought together folks on both sides of the aisle to expand this tax rebate to an additional 175,000 Pennsylvanians. This is what it looks like when we work together to put partisanship aside and get stuff done for Pennsylvania."

Applicants are encouraged to use **myPATH**, the Department of Revenue's online filing system, to apply for rebates on property taxes and rent paid during 2023. myPATH is a free, user-friendly system that provides instant confirmation that an application has been successfully filed, allows access to automatic calculators, reduces errors, and includes other helpful features to assist in filing of an application. There is also a **Spanish version of the online application** available for the first time this year. Applicants can also **download the forms and apply by mail**.

EXPANDED PROPERTY TAX/RENT REBATE PROGRAM NOW OPEN FOR ELIGIBLE OLDER PENNSYLVANIANS, PEOPLE WITH DISABILITIES TO APPLY*... continued from previous page*

The PTRR program income limits will now be tied to the cost-of-living, meaning that people won't be priced out of the program in the future as they have been in recent years. This will be an important change for a program that at one point annually delivered more than 600,000 rebates to applicants across the Commonwealth but has only benefitted roughly 430,000 applicants in recent years because the income limits remained unchanged for so long.

"We encourage all Pennsylvanians who are eligible for this program to apply — and to do so by filing online through myPATH," said **Secretary Browne**. "With each passing year, we are seeing more and more applicants take advantage of the online filing option. Not only does filing online help ensure the accuracy of the information on your application, but it also helps our agency process applications as quickly as possible."



Gov. Shapiro greets seniors at a PTRR event held at the Litzenberger House in Bethlehem, PA.

The PTRR program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. It's free to apply for a rebate and assistance is available at hundreds of locations across the state: **Department of Revenue district offices, local Area Agencies on Aging, senior centers, and state legislators' offices.** Applicants must reapply for rebates every year as they are based on annual income and property taxes or rent paid during the prior year. 📌



We encourage **all Pennsylvanians** who are eligible for this program to apply - and to do so by filing online through myPATH," said **Secretary Browne**.

BETA STAFF ASSIST APPLICANTS DURING THE PTRR KICK-OFF EVENT

The Department of Revenue's Bureau of Enforcement and Taxpayer Assistance (BETA) had staff members from the Allentown District Office available to answer questions and hand out information to residents at the Litzenberger House during the Property Tax/Rent Rebate kick-off event in mid-January. Debbie Saul, Jose Soto, and Alta Mercado assisted applicants with using myPATH, particularly highlighting the fact that the **online tool is now available to use in Spanish**.

Staff from BETA will continue to offer outreach and in-person services at district offices, as well as **scheduled sessions at various senior centers and Area Agencies on Aging (AAAs)** across the Commonwealth in the next several months to assist with PTRR applications and Personal Income Tax (PIT) returns. 📌



PROPERTY TAX/RENT REBATE PROGRAM EXPANSION: HOW IT WILL IMPACT FIRST-TIME FILERS

Thousands of older Pennsylvanians and people with disabilities are now eligible for the first time for this program.

The Department of Revenue (DOR) is encouraging **everyone** who is newly eligible for the PTRR program to submit their applications as soon as possible. Doing so will help the Department more quickly verify and process applications from first-time applicants, who are required to submit supporting documentation to verify their age and eligibility.

The PTRR program is now open for eligible Pennsylvanians to **apply for rebates on property taxes and rent paid in 2023**.

“Thanks to **Governor Shapiro** leading the charge on the historic expansion of the PTRR program, there are nearly 175,000 people who are newly eligible for a rebate. The Governor rightfully recognized there was a pressing need to increase the program’s income limits for the first time since 2006,” **Secretary of Revenue Pat Browne** said. “We will move as quickly as possible to process every rebate application, but we are encouraging all eligible applicants — and especially first-time filers — to submit their applications as soon as they have all the necessary information and documentation in hand. This will help us deliver rebates as quickly as we can.”

What should first-time filers expect?



When someone files for PTRR for the first time, DOR takes additional steps to verify the applicant’s information is accurate to prevent fraud and to ensure that rebates are going out only to those who are eligible. Specific examples of required documentation for first-time filers are listed in **this year’s instruction booklet for the Property Tax/Rent Rebate program**.

The Department is committed to being responsible stewards of this vital program and of taxpayer dollars, including protecting against fraud.

When will I get my rebate?



Rebate payments for the PTRR program are typically distributed starting on July 1. Due to the historic expansion signed into law by **Governor Shapiro**, DOR expects an unprecedented number of Pennsylvanians applying for this program in 2024. While DOR will move as quickly as possible to process every rebate application, first-time filers should anticipate that it may take additional time to review their rebate applications.

The best way to ensure you receive your rebate on time is by filing as soon as possible at **myPATH.pa.gov**, and opting to receive your payment via direct deposit. Applicants can also receive a paper application by calling 1-888-222-9190.

You can follow the progress of your rebate on myPATH after you file by visiting **myPATH.pa.gov** and selecting the **Where’s My Rebate?** link on the homepage to check the status of your rebate.

File Your Application Online through myPATH



The Department strongly encourages all PTRR applicants to file their applications online by visiting **myPATH**. This is a user-friendly system that provides instant confirmation that an application has been successfully filed, allows access to automatic calculators, reduces errors, and includes other helpful features to assist in expediting the filing of an application.

myPATH also features a **Spanish version of the online application** for the first time this year to assist Spanish-speaking applicants.



DOR is Working to Process Rebates as Quickly as Possible



DOR has been preparing for the unprecedented number of applicants and working to ensure the Shapiro Administration can deliver for Pennsylvanians.

Specifically, the Department has:

- Added additional full-time staff and is working to hire an additional 25 temporary staff.
- Stationed DOR staff at Area Agencies on Aging and senior centers throughout the Commonwealth to deliver direct in-person support to eligible Pennsylvanians and to help Pennsylvanians limit errors when applying.
- Made system improvements to better utilize existing functions within myPATH to validate eligibility for first-time filers.
- Changed myPATH to prevent common errors from being allowed when filling out the application. 📌

TAX FILING SEASON NOW OPEN; SECRETARY BROWNE ENCOURAGES WORKING FAMILIES TO TAKE ADVANTAGE OF EXPANDED CHILD AND DEPENDENT CARE ENHANCEMENT TAX CREDIT

The expanded Child and Dependent Care Enhancement Tax Credit will put more money back into the pockets of nearly 210,000 working Pennsylvania families.

With the tax filing season opening **January 29**, the Department of Revenue is encouraging taxpayers to use a free online option to file their Pennsylvania personal income tax returns. Taxpayers can visit mypath.pa.gov to file their PA tax returns through the department's state-only filing system. The deadline to submit 2023 personal income tax returns is Monday, April 15, 2024.

Additionally, **Secretary of Revenue Pat Browne** encouraged working families and others caring for dependents to take advantage of the recently expanded Child and Dependent Care Enhancement Tax Credit. **Governor Josh Shapiro** recently signed legislation expanding the credit, providing a major boost to working families with children in daycare and other people in the Commonwealth who are caring for a family member.

"We know from the tax returns that we received last year that the Child and Dependent Care Enhancement Tax Credit delivered critical relief to roughly 210,000 families in Pennsylvania. **Governor Shapiro** recognized this was a difference maker and rightfully supported the expansion of this credit so that it will be even more impactful now that the new filing tax season is open," **Secretary Browne** said. "Research has shown that a similar tax credit on the federal level significantly reduced childhood poverty, addressed food insecurity, and helped many families secure their finances. It was the right decision to expand our Pennsylvania credit to take another step toward making our Commonwealth a better place to live and raise a family."



Gov Shapiro met with families to talk about the expanded tax credit at the Greater Wyoming Valley Area YMCA in Luzerne County.

The Child and Dependent Care Enhancement Tax Credit that is available to Pennsylvanians is based on the federal Child and Dependent Care Tax Credit. That

means that taxpayers must receive the federal credit to also be eligible for the state credit in Pennsylvania. Under the legislation signed by Governor Shapiro, the state credit is now equal to 100 percent of the federal credit, meaning:

- The maximum credit will be \$1,050 (one child) or \$2,100 (two or more children).
- The credit cap phases down as income levels increase.
- The minimum credit will be \$600 (one child) or \$1,200 (two or more children), provided expenses are at least \$3,000 per child/dependent.

For more information on the Child and Dependent Care Enhancement Tax Credit — including who qualifies and how to go about receiving this credit when filing — visit pa.gov/childcaretaxcredit. 📌

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 or 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. 📌

mypath.pa.gov



OFFICE OF TAXPAYERS' RIGHTS ADVOCATE: HOW WE CAN HELP CPAS

By Vincent Pease

The **Taxpayers' Bill of Rights**, designed to ensure equity and fairness in tax administration and enforcement, was part of House Bill 200 that was signed into law in 1996 by then Gov. Tom Ridge. This legislation also created the **Office of Taxpayers' Rights Advocate (OTRA)**, within the Department of Revenue, which provides free and confidential assistance to taxpayers with Pennsylvania personal income tax and inheritance tax concerns that have not been resolved through normal, established procedures.

It was my honor to be appointed as the Taxpayers' Rights Advocate in March 2019. Having worked within the Department of Revenue's Bureau of Individual Taxes since 2005, I believe that I brought a lot of firsthand experience to this role, which serves as a lifeline for many people in difficult situations.

I know from my experience that some tax professionals and CPAs may not be familiar with the OTRA. Here's an overview of our office and the work that we do.

When to Turn to OTRA

The OTRA should not be a first point of contact, but rather a final resource when all other options related to personal income tax and inheritance tax have been exhausted. Tax professionals and their clients should first try to resolve any issues with these taxes by working directly with the Department of Revenue.

That said, OTRA can help in the following situations:

- **Normal Procedures Have Been Exhausted** – An issue or action by the Department of Revenue that has not been resolved by normal, established procedures can be brought to the OTRA.
- **Delays** – When more than 180 days have passed without a resolution to your tax issue, OTRA can intervene.
- **Unfulfilled Commitments** – If you have not received a promised response or resolution by an agreed-upon date, OTRA can help ensure that your rights as a taxpayer are protected.
- **Significant Hardship** – If you are suffering, or about to suffer, a substantial hardship due to your tax situation, OTRA can step in to advocate on your behalf.

OTRA's Other Areas of Focus

In addition to the situations noted above, OTRA specializes in other specific areas, including the following:

- **Relief from Joint Liability** – Married taxpayers who file joint Pennsylvania personal income tax returns are jointly and individually responsible for the taxes, interest, or penalties due on joint returns, even if they later divorce. In some cases, OTRA can help relieve a spouse, or former spouse, from tax obligations attributable to a joint return.
- **Injured Spouse Relief** – In cases where one spouse wants to protect their share of overpaid tax from being applied toward their spouse's past-due personal income tax liabilities, child/spousal support liabilities, court-ordered obligations, or federal income tax debt, OTRA provides guidance and support.

- **Duress** – OTRA offers assistance to domestic violence victims who have involuntarily completed a tax return due to spousal abuse or duress.



Limits of the OTRA

While the OTRA plays a crucial role in safeguarding taxpayers' rights and providing essential support, there are limits to the issues it can address. Here are some services the OTRA cannot provide:

- Acting as legal counsel for individual situations.
- Reducing tax liability through an offer of compromise when taxes are legally due.
- Granting or establishing payment plans.
- Releasing liens, except in cases where a taxpayer assistance order or a relief determination eliminates a tax liability.
- Changing a final assessment issued by the Department of Revenue when it has been upheld by the Board of Appeals, Board of Finance and Revenue, or any other court.
- Changing Pennsylvania's tax laws for individual situations.
- Accepting cases that the Department of Revenue can generally handle without OTRA's involvement, such as processing original tax returns, amended returns, or rejected and unpostable returns.
- Providing expected refund issuance dates for individual taxpayers.
- Assisting with federal, local, and/or county tax matters.

Contacting the OTRA

The OTRA is a vital safety net for many individuals in difficult situations. In fact, our office completed more than 2,000 cases in each of the prior two fiscal years, which was the second- and third-highest totals in the office's 27-year history.

If you have a client who may benefit from the services offered by the OTRA, call (717) 772-9347, fax (717) 787-8264, or email pataxadvocate@pa.gov. Remember, you can also contact OTRA through the online Taxpayer Request for Assistance Form (REV-556). We want people to know that we are here to help if they have exhausted all other options or are in a situation that falls within our jurisdiction. 📌

Vincent Pease has worked for the Department of Revenue for 18 years. He believes it is a privilege to be the Taxpayers' Rights Advocate and the voice of the taxpayers. OTRA takes great pride in trying to give the best customer service and helping anyone who contacts the office. A version of this article was prepared for the Pennsylvania Institute of Certified Public Accountants (PICPA).

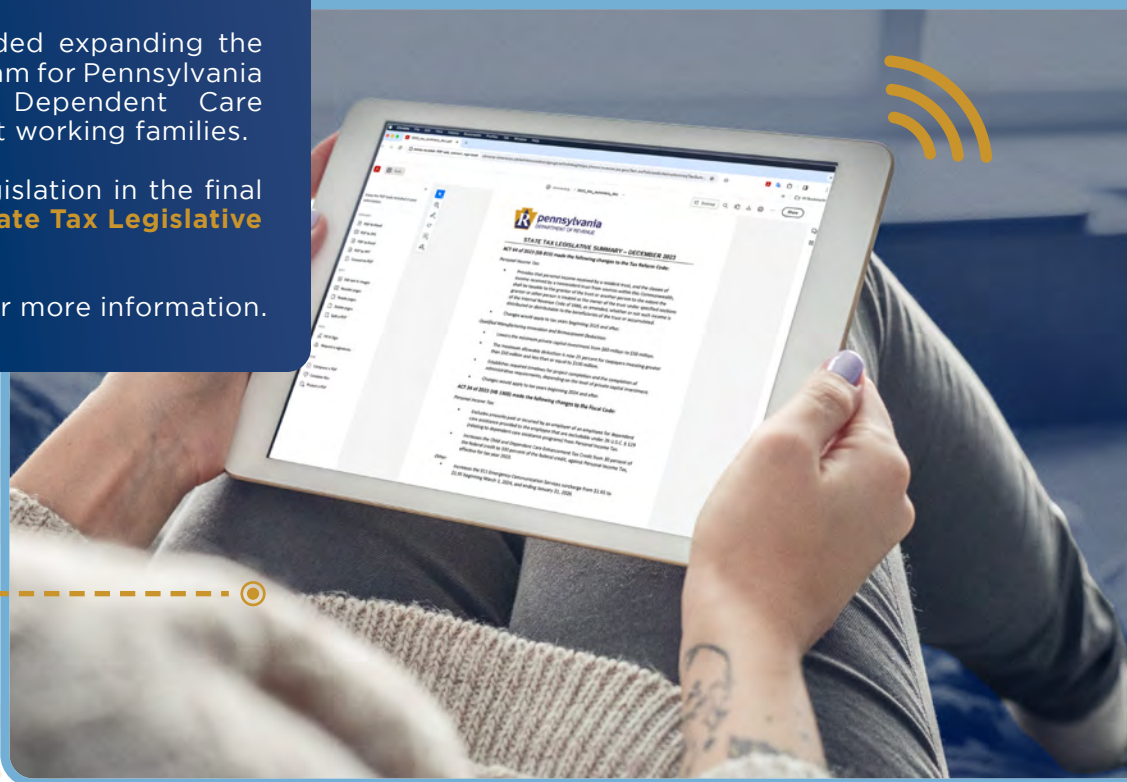
STATE TAX LEGISLATIVE SUMMARY - DECEMBER 2023

Governor Josh Shapiro recently signed the commonwealth’s \$45.5 billion commonsense budget into law — making historic investments to create a stronger economy, safer and healthier communities, and better schools.

The final budget package included expanding the Property Tax/Rent Rebate program for Pennsylvania seniors and the Child and Dependent Care Enhancement Tax Credit to assist working families.

A full rundown of tax-related legislation in the final budget is available by visiting **State Tax Legislative Summary - December 2023.**

Click on the image to the right for more information.



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2024 STATE TAX DUE DATE REFERENCE GUIDE

Stay on top of important Pennsylvania tax due dates with the **2024 State Tax Due Date Reference Guide**, a comprehensive list of taxes by type collected by the Department of Revenue. This is a great resource for taxpayers and tax professionals alike. 📌



2024 REFERENCE GUIDE

2024 STATE TAX DUE DATE REFERENCE GUIDE



CIGARETTE TAX

<p>Jan. 10 December 2023 PACT Act Report</p> <p>Jan. 16 December 2023 Cigarette Stamping Agent (CSA) Stamp Payment</p> <p>Jan. 22 December 2023 CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Feb. 12 January PACT Act Report</p> <p>Feb. 15 January CSA Stamp Payment</p> <p>Feb. 20 January CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Feb. 29 2023 Tobacco Dealer Licenses Expire</p> <p>Mar. 11 February PACT Act Report</p> <p>Mar. 15 February CSA Stamp Payment</p> <p>Mar. 20 February CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Apr. 10 March PACT Act Report</p> <p>Apr. 15 March CSA Stamp Payment</p> <p>Apr. 22 March CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>May 10 April PACT Act Report</p> <p>May 15 April CSA Stamp Payment</p> <p>May 20 April CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>June 10 May PACT Act Report</p> <p>June 17 May CSA Stamp Payment</p> <p>June 20 May CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>July 10 June PACT Act Report</p>	<p>July 15 June CSA Stamp Payment</p> <p>July 22 June CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Aug. 12 July PACT Act Report</p> <p>Aug. 15 July CSA Stamp Payment</p> <p>Aug. 20 July CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Sept. 10 August PACT Act Report</p> <p>Sept. 16 August CSA Stamp Payment</p> <p>Sept. 20 August CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Oct. 10 September PACT Act Report</p> <p>Oct. 15 September CSA Stamp Payment</p> <p>Oct. 21 September CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Nov. 12 October PACT Act Report</p> <p>Nov. 15 October CSA Stamp Payment</p> <p>Nov. 20 October CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Dec. 10 November PACT Act Report</p> <p>Dec. 16 November CSA Stamp Payment</p> <p>Dec. 20 November CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p> <p>Jan. 10, 2025 December 2024 PACT Act Report</p> <p>Jan. 15, 2025 December 2024 CSA Stamp Payment</p> <p>Jan. 21, 2025 December 2024 CSA Report of Cigarettes and Cigarette Tax Stamps and DAS-95</p>
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CONSUMER FIREWORKS TAX

<p>Apr. 22 First Quarter Consumer Fireworks Return and Payment Due</p> <p>July 22 Second Quarter Consumer Fireworks Return and Payment Due</p>	<p>Oct. 21 Third Quarter Consumer Fireworks Return and Payment Due</p> <p>Jan. 21, 2025 2023 Fourth Quarter Consumer Fireworks Return and Payment Due</p>
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CORPORATION TAXES - CORPORATE NET INCOME TAX

<p>Jan. 16 Current year's quarterly estimated payment for CNI for</p>	<p>Mar. 15 Current year's quarterly estimated payment for CNI for</p>
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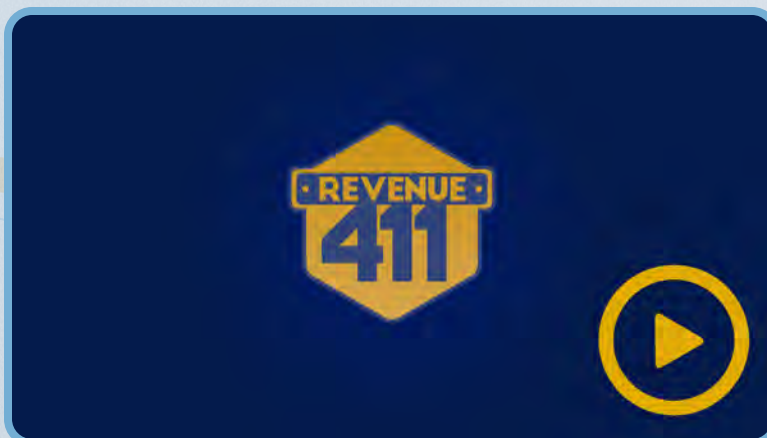
REVENUE411 VIDEOS OFFER STEP-BY-STEP INSTRUCTIONS ON USING myPATH

The Department of Revenue's Customer Experience Center (CEC) has an informational video series, *Revenue411*, that provides taxpayers and tax professionals with step-by-step instructions on how to use the department's online filing system, myPATH.

The **Revenue411 video library** offers videos in both English and Spanish on how to file a Personal Income Tax return (PA-40) and Property Tax/Rent Rebate application (PA-1000):

- **Filing a Personal Income Tax Return (PA-40)**
- **Declaración de Impuestos Sobre los Ingresos Personales**
- **Filing a Property Tax/Rent Rebate Application (PA-1000)**
- **Como Llenar la Solicitud PA-1000**

Visit revenue.pa.gov/videos to watch other videos on a variety of topics. 📌



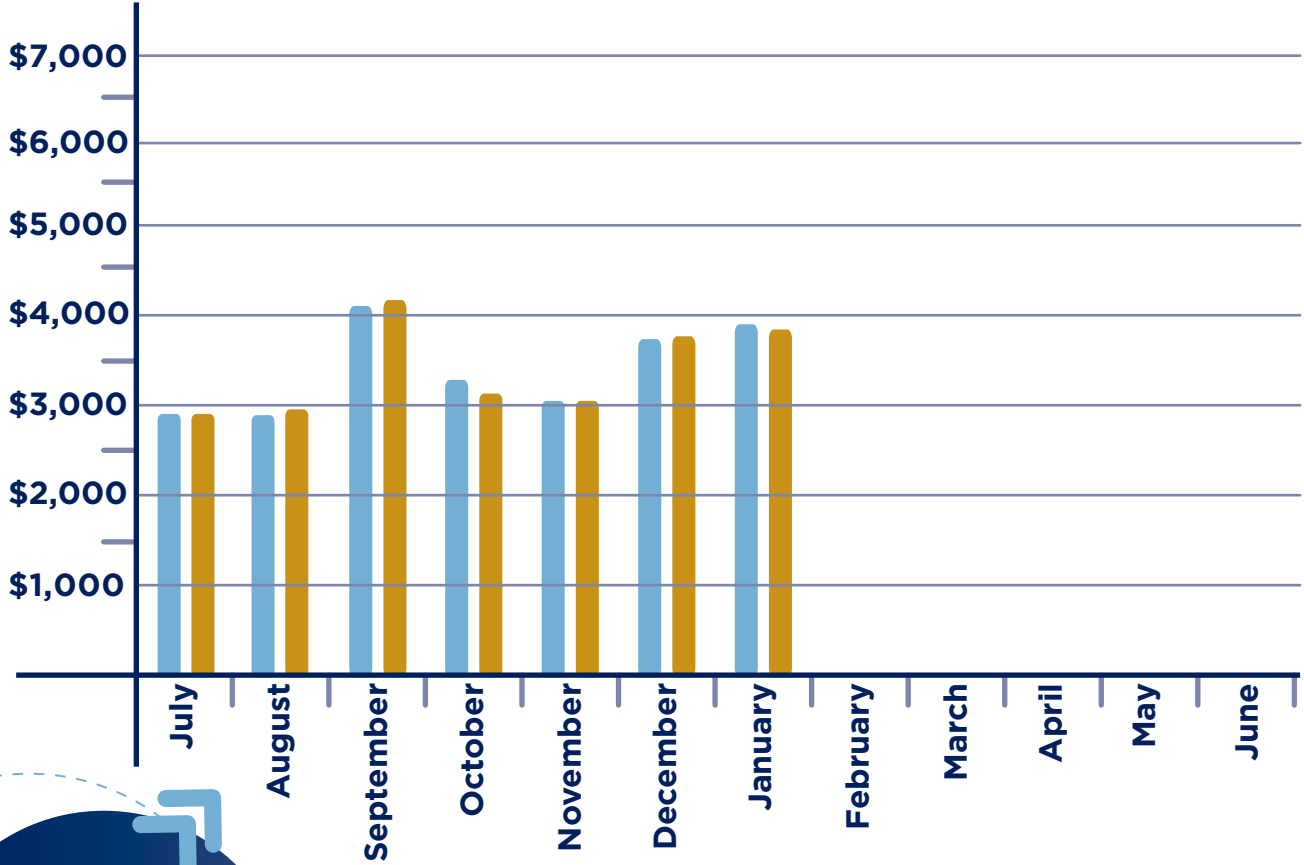
2023-2024 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

Through January, General Fund collections totaled \$23.8 billion, which is \$6.6 million above estimate.

Actual Revenue

Estimated Revenue



GRAPH

ACTUAL FIGURES
(in millions)

Month	Actual Revenues	Estimated Revenues
July	2,881	2,882
August	2,899	2,927
September	4,057	4,197
October	3,246	3,127
November	3,061	3,015
December	3,700	3,766
January	3,908	3,834
February		
March		
April		
May		
June		