DOR RE-Opening Webinar - July 9, 2020

Post-Webinar Questions

We provide here a written summary of answers provided by the Department Revenue to the committee at periodic question and answer sessions. These documents are classified as revenue information issued for informational purposes only for the convenience of PICPA’s members. Pursuant to 61 Pa. Code Section 3.4, these documents should not be relied upon for any purpose or used in tax appeals. Taxpayers requiring a binding opinion on a specific fact situation may request a written letter ruling under 61 Pa. Code Sec 3.3.

Will the Department accept as filed if it had the returns more than 6 months?

The department recently received inquiries regarding whether it was issuing Inheritance Tax notices of assessment. It temporarily had not been issuing assessments due to its offices and ROW offices’ COVID-19 closures. The department now has resumed issuing limited assessments and other notices. The department will continue to increase the number of and types of notices issued. The most up to date information regarding Revenue’s operations can be found on the department’s website.

Will DOR abate penalties on matters in the appeals process if the taxpayer is willing to withdraw the appeal?

We do not have enough information about the specific situation to answer this question. Specific situational questions can be directed to the Board of Appeals.

Can an extension be given in the number for “Return A Call”?

Unfortunately, no. The system would call the number left; however, the receptionist would then have to connect the practitioner to the caller waiting on DOR’s side. The other option is for the practitioner to use a cell phone number.

Does the Department want two estimates to be filed for first and second quarter 2020, or combined on a single estimate, and if so, which voucher?

It does not matter which voucher you use. We would take two vouchers and two checks. But, our folks at BIDM would prefer if you sent one voucher and one check to cover both quarters.

Will estimated payments be processed more timely than processing paper tax returns?

We do prioritize the processing of checks.

Will underestimated penalties and interest be waived regardless if the 2Q voucher is used - if a single estimate is sent in, and do you want us to use the 1Q?

If an estimated payment is late or under paid, we charge the taxpayer an estimated underpayment penalty (EUP). This EUP wouldn’t be charged until tax year 2020 because we do not know what amount should have been remitted until they file their PA-40 and their REV-1630. We publicly announced that the due dates for the first and second quarters were extended to July 15, so we wouldn’t charge penalties if the estimated payments were remitted on or before that date.
What about the discount for inheritance tax if filed within 90 days of death? Is there an extension on that discount?

The discount period is three calendar months from the date of death not 90 days. There is no extension on the discount period. All payments must be made within three-calendar months of the date of death in order to receive the discount.

What happens if your AST payment exceeds the actual tax for the following month?

Level 1 accounts have the option to calculate their prepayment as “An amount equal to or greater than fifty per centum of the licensee’s actual tax liability for the same month.” Please see the link below:

[Link](https://www.revenue.pa.gov/GeneralTaxInformation/Tax%20Types%20and%20Information/SUT/Pages/Accelerated-Prepayments.aspx)

If inheritance tax assessments are resuming, are the inheritance notices of appraisement also resuming?

Yes.

If I send in a REV-72 for a new 501(c)(3) organization, should I expect a delay?

Yes. The Bureau of Taxpayer Registration and Management has only had a handful of staff working during the last three months. They will be fully staffed by the end of July. However, there is currently a several week backlog.

For other state credit, does the DOR still want those state returns mailed with the tax PA returns manually?

The department does still require the other state’s return, which can be mailed in when filing the tax return or submitted electronically with the DEX-93.

Were there any extensions of the inheritance tax three-month pre-payment deadline during COVID-19?

No, the payment must be made within three-calendar months from the date of death.

The IRS has 11 million unopened envelopes. What is it like at PA? Is there an estimate of when this backlog will be processed so that new paper return processing can get started?

Paper return processing has been ongoing since May. While we do have backlogs, and those numbers will increase with the July 15 filing deadline, we have nowhere near the backlog of the IRS.