

MATTERS of APPEAL

A TREASURY UPDATE ON THE BOARD OF FINANCE AND REVENUE

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Treasurer names Taxpayer Advocate

Navigating the administrative tax appeal process could be a daunting task. The Treasurer has named Nicole Zimmerman as the Board of Finance and Revenue's Taxpayer Advocate to assist with that task. While everyone at the Board strives to assist with tax appeals, Treasurer Torsella believed it would be best to have one name, one telephone number, one email address to have your questions answered. Nicole has been providing exemplary customer service at the Board for 15 years. You could reach Nicole at 717-787-2794 or by submitting emails to bfr@patreasury.gov.



IMPORTANT NOTICE:

ACT 43 OF 2017 REDUCES TIME FOR TAX APPEALS TO BE FILED WITH THE BOARD OF FINANCE AND REVENUE

The period of time a taxpayer has to appeal most decisions to the Board of Finance and Revenue is reduced from 90 days to 60 days after the mailing date of the notice of decision from the Department of Revenue. This change applies to petitions for refunds, petitions for reassessments, and petitions for redeterminations filed with the Board of Appeals on or after December 29, 2017.

Message from Treasurer Torsella

Effective government is based on trust. And, as we all know, trust must be earned. In state government, trust is earned through transparency, integrity, collaboration and balancing the right of the citizenry to access government information with the right of the citizenry to have its personal information protected. Simply put, you have a right to understand the procedures and decisions of the Board.



Since taking office in January, I have been committed to building a better future for Pennsylvanians by increasing transparency and being a responsible stewards of the duties entrusted to the State Treasurer. At the Board of Finance and Revenue (BF&R), the staff is dedicated to working for you. This edition of Matters of Appeal provides more details of our recent initiatives.

Transparency – My goal is to increase accessibility of the Board through enhanced technology designed to broaden hearing options for those appealing and to increase accessibility of the public hearings for interested taxpayers.

Integrity – As you may be aware, Act 52 of 2013 prohibits Board members from holding any other employment to avoid conflicts.

Safeguarding Personal Information – In order to meet or exceed IRS privacy standards, we have recently invested in new more secure equipment. To safeguard confidential information, I have required employees and vendors to sign mandatory confidentiality agreements. I have also instituted regular reviews to analyze the Board's document handling procedures and data retention policies.

Get to Know Treasurer Torsella

Joe Torsella was elected Treasurer of the Commonwealth of Pennsylvania on November 8, 2016. He served as a United States Ambassador to the United Nations for Management and Reform from 2011 to 2014. He previously served as President and CEO of the National Constitution Center in Philadelphia and as the Chairman of the Pennsylvania State Board of Education. Raised in Berwick, Pennsylvania, Treasurer Torsella graduated from Wyoming Seminary preparatory school. After graduating with honors from the University of Pennsylvania with a degree in Economics and History, he studied at Oxford as a Rhodes Scholar. Treasurer Torsella lives with his wife, Carolyn, in Flourtown, Pennsylvania; they have four children.

Your comments and feedback are welcome via bfr@patreasury.gov.

What is the Proper Procedure for Submitting Supporting Documents for Your Appeal?

The taxpayer and Revenue have a right to a copy of all submissions provided to the Board by the other party – including paper and electronic submissions. The rules for accomplishing this are as follows:

- There is no need for a petitioner to provide its petition or the first 20 pages of a document submitted with the petition to Revenue. The Board's regulations allow it to upload those documents onto Revenue's database, thereby constituting service on Revenue.
- All submissions by either party subsequent to the initial petition must be sent to the opposing party. Documents submitted with the petition that exceed 20 pages or any electronically submitted documents must also be sent directly to Revenue. The most convenient way to accomplish this is through electronic submissions sent to both:

bfr@patreasury.gov and RA-RVOCBFRNOTIF@pa.gov

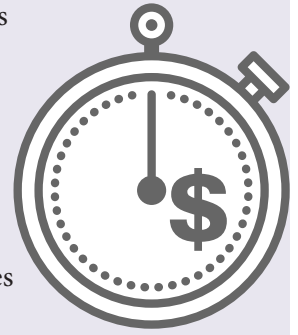


Practice tips

Sales tax manufacturing cases: in order to determine what is directly used, the Board will need a detailed description from a person with direct knowledge of the manufacturing operations from start to finish with a description of where each piece of equipment falls within the process. Statements from a representative will rarely be adequate proof.

Compromises

The Board strongly encourages compromises. Compromises save time and money for all parties involved, avoid costly litigation and generally result in a fair and just outcome. The key to efficient administration of compromises is communication. While compromise negotiations must occur directly between the Petitioner and Revenue, the Board requests that a party notify the Board of an intention to compromise within 30 days after filing a petition. Early notice allows the Board to allocate its resources more efficiently by postponing the processing of appeals that are likely to be compromised. This does not mean the parties need to finalize the compromises in 30 days, as the compromise process generally requires several levels of approval and multiple exchanges of information between the parties. Nor does the Board need to be privy to the terms of the compromise while it is being negotiated. However, the Board does need to be regularly advised of the status of the negotiations to avoid issuing a decision while a compromise is pending.



Revenue Appeals Board Decisions

Since the Board has been restructured in April of 2014, the Board of Finance and Revenue has decided over 14,500 tax appeals. The Department of Revenue has appealed 27 of the Board's decisions. Keep in mind that the number of BF&R appeals includes appeals with jurisdiction issues or appeals involving relatively small dollar amounts – appeals the Department may not appeal for policy reasons.



Board of Finance & Revenue:

Who We Are

Jacqueline A. Cook (chair)
 Designee for Joe Torsella, State Treasurer
 R. Scott Shearer (member)
 David R. Kraus (member)

BF&R Staff

Secretary of the Board

Thomas W. Watson

Docketing

Jodi Reed, Supervisor

Liquid Fuels

Eric Schreiner, Supervisor

Taxpayer Advocate

Nicole Zimmerman



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 Liquid Fuels: (717) 787-6534
 Taxpayer Advocate: (717) 787-2974

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